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Declaration

**SHIPMENT TRANSACTION SYSTEM AND AN ARRANGEMENT THEREOF**

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**Related Patent Documents**

The instant application is a continuation-in-part of U.S. Patent Application Serial No. 60/124,124 filed on March 12, 1999 entitled "Shipment Transaction System And An Arrangement Thereof", which is a continuation-in-part of U. S. Patent Application Serial No. 08/748,243, filed November 4, 1996, with the same title (USBA.02PA), both of which are incorporated herein by reference. The instant application is also related to U.S. Patent Application Serial No. 09/259,657, filed February 26, 1999, entitled "Shipment Transaction System And Method" (USBA.02C1), and related to U. S. Patent Application Serial No. 09/310,711, filed May 12, 1999, with the same title, both of which are continuations of U.S. Patent Application Serial No. 08/748,243 and are incorporated herein by reference.

**Field of the Invention**

The present invention relates to a computer processing system for shipment transactions involving a shipper and a carrier or a vendor and service providers where the transaction involves services.

**Background of the Invention**

Processing shipment transactions between a shipper and a carrier has been a manually intensive effort and has experienced little change. Generally, the shipment transaction process involves a goods transport path and a payment process path. The goods transport path typically starts when a carrier picks up the goods at the shipper's warehouse dock. The carrier receives a copy of a transaction document, sometimes

referred to as a bill of lading (BOL), from the shipper. This type of transaction document includes information associated with the shipment transaction that is used by the shipper and carrier to track the shipment of goods. The carrier transports the goods to the receiver where the receiver signs a copy of the BOL to verify receipt of the goods.

- 5 After the carrier has delivered the goods to the receiver, the carrier also submits the receiver's signed copy of the BOL to the carrier's headquarters.

At this point, records are generated that contain information about requested pick-up and delivery times, origin and destination, and type of load. The first problem in the process can occur when the carrier arrives to pick up the load. If the shipment is not ready or there are delays at the loading dock, accessorial charges may be imposed by the carrier. Because they are not part of the original BOL, the shipper may dispute these charges later, and this can cause payment delays down the line. Back at the loading dock, a second problem is created when manual changes are made on the BOL. Unfortunately, these changes rarely get recorded in the shipper's permanent electronic records causing a difference between the shipper's and the carrier's paperwork for the same load.

Now on the road, the driver needs to send the paperwork back to headquarters. Because the primary job of the driver is to get the shipment to its destination in a timely manner, paperwork can sometimes be delayed, and it may be days before the carrier headquarters receives a copy of the BOL.

The driver reaches the destination and delivers the shipment. At the point of delivery, the driver is supposed to provide notification of delivery. Again, this may or may not happen. When it does not, vital information is delayed or missing in the supply chain.

When the original and delivery copies of the BOL finally reach the clerk at the carrier's offices, the clerk sends out an invoice for the original shipment. A clerk at the shipper's office receives the invoice, often amid a pile of invoices for many carriers, and attempts to match the invoice with a copy of the original BOL. If a billing error is discovered, the clerk might send a check for a partial payment or simply hold the entire payment until the corrected invoice is provided. The carrier clerk receives this check

and must then track down the original BOL and delivery copy to know why the check is for less than the total amount due. It is only after communicating with the shipper directly that the carrier finds out a mistake was made in the original paperwork. The carrier sends the shipper an amendment to the original invoice, and the shipping clerk must then organize and file all the paperwork together.

The payment process path starts when the carrier picks up the goods from the shipper. The carrier sends a copy of the BOL to the carrier's headquarters for processing. The carrier headquarters rates the BOL. Rating involves determining the shipment cost that takes into the account various shipment parameters such as the size, weight, type of material, and destination of the shipment. The carrier creates an invoice, sets up an accounts receivable, and sends the invoice to the shipper's accounts payable department. The shipper, either internally or via a third party, audits the invoice to ensure the final cost is proper.

One of the more burdensome aspects of the traditional process involves reaching agreement as to the final cost. If there is a dispute as to final cost, the shipper and carrier begin a burdensome and sometimes lengthy negotiation process in an attempt to settle the dispute. If the dispute is resolved, the shipper sets up an accounts payable for the transaction. The shipper will then send payment to the carrier and clear the accounts payable. The traditional process for paying the carrier and clearing the accounts payable involves several manually intensive steps. Upon receipt of payment, the carrier clears the accounts receivable. The traditional process for clearing an accounts receivable includes the carrier manually inputting final payment information into the accounts receivable system.

The traditional approach can lead to many disadvantages for a transaction between one shipper and one carrier. Typically, however, there are multiple carriers and shippers involved in multiple transactions, which makes the situation more complex, and that much more slow and inefficient. The process is manually intensive in that it relies on the hard copy of the BOL for proof of delivery and payment, resulting in a series of repetitive and time-consuming steps. Also, each BOL is often rated multiple times by multiple parties creating excessive redundancy.

Traditional shipment transaction systems are also highly susceptible to billing errors and fraud. For example, there is no connection between the delivery of goods and when the shipper is billed for delivery. This may result in double billing, no billing at all, or over-billing the shipper for freight delivery charges. Also, auditing error may occur which results in incorrect billing or payment. In addition, the carrier waits a disproportionately long time for payment while the invoice is being audited and/or disputed. For example, traditionally, a delivery takes about five days whereas payment takes about thirty days. This unnecessary delay adversely affects the carrier's working capital resources.

Additional costs arise as a result of the existing inefficiencies. Many of the costs are individually small, but very large in the aggregate. For example, the carrier incurs administrative costs including: the cost to create and deliver the initial invoice, costs of resolving billing disputes, costs of providing a signed copy of the BOL to the shipper, and costs of posting accounts receivable. The shipper incurs similar administrative costs.

Another disadvantage of traditional shipment transaction systems is that they have a tendency to strain relationships. Because carriers and shippers do not always have an effective way to communicate about the shipment, business partnerships can be strained when there are disputes. Continuous inaccuracies in either the shipment or invoice process create unnecessary tension along the entire supply chain for both shippers and carriers.

An additional disadvantage involves the inability to obtain immediate information regarding a shipment. Since the process is largely conducted manually, it is very difficult to track a shipment. To learn of the status of shipment or payment, there are various manual steps involved. For example, if the shipper wants to know if the carrier delivered the goods and if the payment has been made, the shipper must call the carrier and the appropriate financial institution.

There have been numerous attempts to improve the existing shipment and payment process. Some improvements have been made to each separate step of completing a shipment transaction, but the entire method remains relatively unchanged.

For example, freight agents are used by shippers to schedule shipments and to process the invoice from the carrier. Also, third party service providers have taken over the role of managing the shipper's accounts payable department.

Another attempt to improve this burdensome transaction process involves the use of the Internet. Carriers have offered Internet access to their shipment information. Shippers access the carrier's Internet address and find out the immediate status of the shipment. A disadvantage of this system arises when, as in many applications, the shipper is using multiple carriers. In this typical situation, the shipper separately accesses the address of each carrier in order to find out the status of each shipment. This is unduly time-consuming.

Another disadvantage of traditional systems is that the shipper's reference number and the carrier's reference number are not compatible. The carrier maintains the shipment data, so the shipper accesses the data using the carrier's reference number rather than the shipper's reference number. The shipper and carrier track each shipment using multiple reference numbers.

These various attempts to improve the overall process have fallen short of providing a convenient and cost effective system to process a shipment transaction.

### **Summary of the Invention**

The present invention is directed to a shipment transaction system for processing transaction information related to goods shipped from a shipper by a carrier. According to one example implementation of the present invention, the system includes a processor arrangement that maintains shipper credit data for shippers and to process the transaction information in response to control data communicatively coupled between the processor arrangement and users of at least one type. The processor arrangement is linked with various users via a communications channel, and is programmed to receive control data from the users, to verify that the received control data is from an authorized source, and to evaluate the shipper credit data and the control data. In response, the processor arrangement determines whether to generate data that authorizes payment to the appropriate carrier(s).

According to another example implementation of the present invention, a shipment transaction system includes a processor arrangement programmed and configured to maintain shipper credit data of said one of a plurality of shippers, to process the transaction information in response to control data communicatively coupled between the processor arrangement and users of at least one type, and to automatically audit shipment transactions between shippers and carriers. The system further includes at least one communication channel communicatively linking the processor arrangement with the users of said at least one type, with the processor arrangement being further programmed to receive control data from the users, to verify that the received control data is from an authorized source, and to evaluate the shipper credit data and the control data and, in response, to determine whether to generate authorization data that authorizes payment to one of a plurality of carriers.

More specific implementations of one or both of the above systems involving the following. The processor arrangement permits authorized ones of the shippers and authorized ones of the carriers to review audit discrepancies using a communication channel communicatively coupled with the processor arrangement. The processor arrangement permit authorized ones of the shippers to approve payment to selected ones of the carriers without adversely impacting credit data of the authorized shippers, and permits authorized ones of the carriers to delay shipment for selected ones of the shippers without adversely impacting credit data of the authorized carriers.

In yet another embodiment, a shipment transaction system includes a processor arrangement programmed and configured to maintain shipper credit data of a shipper, to process the transaction information in response to control data communicatively coupled between the processor arrangement and users of at least one type, and to maintain a database of shippers and carriers, the database having a main parameter set for validating ones of the shippers and carriers that are qualified as users thereof and having respective data sets for the validated shippers and carriers indicating varying communication access levels for communicators of each respective validated shipper and carrier. At least one communication channel communicatively links the processor arrangement with the users of said at least one type, and the processor arrangement is

audits shipment transactions and reports thereon to at least one of the validated shippers and carriers according to one of the varying communication access levels for communicators of the validated shipper and/or carrier.

Another more specific embodiment involve the above shipment transaction  
5 system with the processor arrangement further programmed and configured to audit shipment transactions and report thereon to at least one of the validated shippers and carriers according to different communication access levels, each being defined based on data provided by a respective one of the validated shippers and carriers. Further, the processor arrangement can be configured and arranged to permit and block access to  
10 shipment transaction information according to information stored in the database, and the database can include information defining payment authorization levels for communicators, wherein the processor arrangement permits approval for payment to carriers for shipment transactions according to the information defining payment authorization levels. As enhancements to this implementation, the information defining  
15 payment authorization levels for communicators in the database is defined by a specified type of user, and the information defining payment authorization levels for communicators is downloaded into the database from the user at a remote site.

According to one application, the present invention is directed to a transaction validation system for auditing transaction information related to services provided by  
20 one of a plurality of vendors and processed by one of a plurality of service providers. The system comprises a central processor arrangement programmed and configured to maintain data relating to an authorized profile list criterion that includes information about authorized users empowered to authorize payment by the vendor, and programmed and configured to process the transaction information by determining  
25 whether the transaction information satisfies the authorized profile list criterion, and using the authorized profile list criterion to generate information for auditing a transaction between one of a plurality of vendors and one of a plurality of service providers.

According to another application, the present invention is directed to a transaction  
30 validation system for auditing transaction information related to services provided by a



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vendor and a plurality of subvendors and processed by one of a plurality of subvendor controlled service providers. The system comprises a central processor arrangement, coupled to vendor and subvendor, programmed and configured to maintain data relating to an authorized profile list criterion that includes information about authorized users  
5 empowered to authorize payment by the vendor, and programmed and configured to process the transaction information by determining whether the transaction information satisfies the authorized profile list criterion, and using the authorized profile list criterion to generate information for auditing a transaction between the vendor and both of the plurality of subvendors and plurality of subvendor controlled service providers.

10 According to another application, the present invention is directed to a transaction validation system for auditing transaction information related to services provided by a vendor, the transaction information being generated by one of a plurality of service providers prior to processing by the vendor. The system comprises a central processor arrangement programmed and configured to maintain data relating to an  
15 authorized profile list criterion that includes information about authorized users empowered to authorize payment by the vendor to service provider, and programmed and configured to process the transaction information by determining whether the transaction information satisfies the authorized profile list criterion, and using the authorized profile list criterion to generate information for auditing a transaction  
20 between the vendor and one of a plurality of service providers.

Other aspects of the present invention are directed to methods for implementing the computer operations at a central control center, and to arrangements and methods for configuring and operating the coordination of the above-characterized shipment transaction system at the shipper's station and with respect to the carrier.

25 The above summary of the present invention is not intended to describe each illustrated embodiment, or every implementation, of the present invention. This is the purpose of the figures and of the detailed description that follows.

### **Brief Description of the Drawings**

Other aspects and advantages of the invention will become apparent upon reading the following detailed description and upon reference to the drawings in which:

FIG. 1 is a block diagram illustrating a specific embodiment that incorporates principles of the present invention;

5        FIG. 2 is a block diagram illustrating an example flowchart for programming the shipper processor 24 of FIG. 1 according to the present invention;

FIG. 2a is a block diagram illustrating an example flowchart for programming the BOL rating engine 30 of FIG. 1 according to the present invention;

10       FIG. 3 is a block diagram illustrating an example flowchart for programming the data processing device 34 of FIG. 1 according to the present invention;

FIG. 4 is a block diagram illustrating an example flowchart for programming the central processor 40 of FIG. 1 manipulating the transaction information according to the present invention;

15       FIG. 5 is a block diagram illustrating an example flowchart for programming the issuing processor 45 of FIG. 1 authorizing a transaction according to the present invention;

FIG. 6 is a block diagram illustrating an example flowchart for programming the VRU unit 48 according to the present invention;

20       FIG. 7 is a block diagram illustrating an example flowchart for programming the central processor 40 of FIG. 1 generating a deposit file according to the present invention;

FIG. 8 is a block diagram illustrating an example flowchart for programming the paying processor 54 of FIG. 1 according to the present invention;

25       FIG. 9 is a block diagram illustrating an example flowchart for programming the issuing processor 45 of FIG. 1 crediting a transaction according to the present invention;

FIGs. 10A-10C are flow diagrams depicting an example operation of implementing ship transaction using the data processing flow addressed herein, according another aspect of the present invention;

FIG. 11 illustrates a communication path from an architectural perspective in which an array of computers and data routers are used in an example implementation of a system and method, according another aspect of the present invention;

FIG. 12 is a block diagram illustrating another embodiment of the invention  
5 directed to services that incorporates principles of the present invention;

FIG. 13 is a block diagram illustrating another embodiment directed to services and having a modified relationship between vendor and service provider; and;

FIG. 14 is a block diagram illustrating another embodiment having a modified relationship between a vendor, subvendors and service providers.

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While the invention is susceptible to various modifications and alternative forms, specific embodiments thereof have been shown by way of example in the drawings and will herein be described in detail. It should be understood, however, that it is not intended to limit the invention to the particular forms disclosed. On the  
15 contrary, the intention is to cover all modifications, equivalents, and alternatives falling within the spirit and scope of the invention as defined by the appended claims.

### **Detailed Description**

20 The present invention is generally applicable to a computer processing system for a shipment transaction involving a shipper and a carrier. The present invention has been found to be particularly advantageous for a system which efficiently automates the payment of a shipment transaction and efficiently provides access to shipment information.

25 The present invention is generally directed to a system that automates the shipment transaction process to thereby provide a convenient transaction protocol between the delivery, billing, and payment aspects of the transaction.

In one embodiment of the present invention, a computer arrangement includes a main CPU communicatively coupled via the Internet to provide around the clock access  
30 of shipment transaction data to authorized shippers, carriers, operators of the main CPU

and, in more specific implementations, a separate financial institution and/or an auditor that is independent of the shippers, carriers, and CPU operators (and if applicable the separate financial institution). As is conventional with Internet communications, electronic notes can be included for supplemental communication with anyone in the shipment transaction chain. The main CPU maintains a database of all information relating to the shipments of the carriers and shippers, and the main CPU is used to analyze the shipments for auditing purposes, effect payments, to facilitate changes to the rating systems, and to facilitate resolution of audit discrepancies.

10 When a problem arises with a shipment, for example, the shipper (or the carrier if preferred) can change the rating via the Internet. Moreover, the shipper can instruct the main CPU to delay payment. Similarly, the carrier can inform the main CPU that a delivery of a shipment is being delayed due to its problems in receiving payments from the shipper.

15 By permitting the shipper access to analysis of the information database, the shipper can inquire of the main CPU data useful in assisting the shipper address issues, such as: which carrier has the best on-time delivery record, and which carrier has the most cost-effective service between two locations. Carriers can also use such data to addresses issues such as to identify the shipper that generates the most business in a target region. Further, all users of the system have the potential to access an abundance of historical data including, for example, approval history, and delivery and payment information.

As shown in FIG. 1, a shipper processor 24 initiates the shipment transaction by acting in conjunction with a BOL rating engine 30 to generate a rated BOL. The shipper processor sends the rated BOL to a data processing device 34 of a shipper access terminal 32. The data processing device 34 generates transaction information and sends the transaction information to a central processor 40. The central processor 40 identifies and centrally tracks the transaction information. A carrier processing device 46 receives proof of delivery information and sends this information to the central processor 40. The central processor 40 processes and stores all pertinent

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shipment information in a data storage unit 42 and allows immediate access to this information by the shipper 20, the carrier 22, and other authorized users. This reduces the administrative costs of the shipper 20 and the carrier 22. The central processor 40 interfaces with an improved payment system including an issuing institution 44 and a paying institution 52. An issuing processor 45 of the issuing institution 44, maintains a credit account for the shipper 20 and debits the shipper's account for the cost of the shipment. A paying processor 54 of the paying institution 52 tenders payment to the carrier 24.

FIG. 2 is a block diagram illustrating an example flowchart for programming the shipper processor 24 of FIG. 1 according to the present invention. According to this example flowchart, the shipper processor 24 receives 200 an input of relevant purchase order information for storage and processing using an adequate input device 202. Using a conventional desktop PC for example, a keyboard and mouse are adequate input devices. Using a more complex computer arrangement, a digital retrieving device, such as an information scanner, is used to offset some of the labor associated with this inputting effort.

The shipper processor 24 processes 204 the purchase order information including referencing inventory control and customer information systems to generate 206 shipment parameters. In a particular application, the shipment parameters include the identity of the carrier, identity of the receiver, the number of units, the weight of the shipment, the destination of the shipment, the date of shipment, and the estimated date of delivery. The shipper processor 24 is located at the shipper's premises so that the shipper processor 24 receives accurate information resulting in further reliability and efficiency of the system.

The shipper processor 24 electronically sends 208 the shipment parameters to the BOL rating engine 30. The transmission is accomplished conventionally. The BOL rating engine 30 of the illustrated embodiment of FIG. 1, is designed to suit the needs of the particular shipper, the type of goods shipped, and to provide an interface to the shipper processor 24. Conventionally, BOL rating engines, which are in use today, are

implemented using a computer processing device such as a stand-alone personal computer, a personal computer connected to a network, or a conventional mainframe.

FIG. 2a is a block diagram illustrating an example flowchart for programming the BOL Rating Engine 30 of FIG. 1 according to the present invention. The BOL rating engine receives 216 the shipment parameters and processes 218 the shipment parameters. The BOL Rating Engine 30 generates 220 a rated BOL. The BOL rating engine 30 is programmed to an agreed upon rate structure by the shipper 20 and carrier 22. As a result, the BOL rating engine 30 produces consistently rated BOL's. This has the further advantage that the shipper 20 and the carrier 22 do not have to audit the engine often. Existing systems require frequent auditing of the results of the BOL rating engine. With no post audit adjustments, the payment to the carrier 22 is definite. The BOL rating engine 30 sends 222 the rated BOL to the shipper processor 24. In a particular application, the BOL rating engine 30 is included in the shipper processor 24. The shipper processor 24 performs the rating function of the BOL rating engine 30 so that there is no need to send the shipment parameters to an external BOL rating engine. The shipment parameters are processed and a rated BOL is generated solely by the shipper processor 24.

Another advantage associated with the process in which a rated BOL is produced is that only one BOL rating engine 30 is needed for the entire shipment transaction system. This saves duplicate efforts by the carrier 22 and ensures exact payment. A significant benefit of this illustrated embodiment of FIG. 1 is that the cost depicted on the BOL is the final cost of shipment. Therefore, the shipper 20 and carrier 22 will immediately know the final cost of shipment before the goods are delivered. The BOL rating engine 30 removes ambiguity from the shipment transaction payment process which significantly offsets time-consuming payment disputes.

The shipper processor 24 receives 212 the rated BOL and sends 214 the rated BOL to a shipper access terminal 32 located at the shipper's premises. In an alternative embodiment, the BOL rating engine 30 is located off the shipper's premises so that the shipper processor 24 can access the BOL rating engine 30 on an as-needed basis. One

advantage is that one standardized BOL rating engine could be electronically linked to multiple shipper processors thereby reducing the cost to each individual shipper.

FIG. 3 is a block diagram illustrating an example flowchart for programming the data processing device 34 of FIG. 1 according to the present invention. The shipper access terminal 32 contains a data processing device 34 that receives 300 the rated BOL. The data processing device 34 validates 312 the rated BOL to ensure that the rated BOL contains data that is complete, error-free, and properly formatted. The data processing device 34 processes 312 the rated BOL and generates 316 a list of transaction information. The transaction information includes the information as seen in table 1 below. The columns in Table 1 represent the following: Data Element is the data that will reside in that particular element location, Length is the length of the data element; type is the type of data element which is either numeric or alpha-numeric, and Description simply describes the function of the data element if necessary.

Table 1 - Transaction Information

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Type</b></i>	<i><b>DESCRIPTION</b></i>
Shipper ID	10	N	Record ID
Dock ID	3	N	Record ID
Bill of Lading #	15	AN	Record ID
Ship Date	8	N	Record ID, reporting
SCAC	4	A	Standard Carrier Alpha Code, a national standardized carrier identification code.
Carrier Vendor Number	10	N	Alternate index, allows Shipper 20 to specify its vendor number for a given carrier 22
Customer Number	10	N	Alternate index, allows shipper 20 to specify it's customer number for a given receiver
Customer PO #	15	AN	Alternate index, reporting
Shipper Order #	15	AN	Alternate index
Vendor Order Number	15	AN	Reporting, alternate locator, carrier 22 PO associated with shipment
Shipper Name	35	AN	
Shipper Contact Person	20	A	

<b>Data Element</b>	<b>Length</b>	<b>Type</b>	<b>DESCRIPTION</b>
Shipper Phone #	15	AN	
Origin Designator	10	AN	
City	20	AN	
State	2	A	
ZIP Code	9	N	
Division Code	2	AN	
Reference B/L #1	15	AN	Consolidated Shipments
Reference B/L #2	15	AN	Consolidated Shipments
Reference B/L #3	15	AN	Consolidated Shipments
Bill of Lading Type	1	AN	Reporting
Shipment Mode	3	AN	Less than Truck Load(LTL), Truck Load (TL), Rail (RAI), AIR
Inbound, Outbound Flag	1	AN	
Prepaid, Collect Flag	1	AN	
COD Flag	1	N	
COD Amount	9.2	N	
Shipment Value	9.2	N	
Driver Name	20	AN	
Trailer/Car #	15	AN	
Trailer/CarSeal#	15	AN	
Import, Export Flag	1	AN	
# Stops	2	N	
Stop Off Charges	7.2	N	
Rated Freight Charges	9.2	N	
Cube Dimensions	5	N	
Shipment "as weight"	7.2	N	
Accessorial Charges	7.2	N	
Total Freight Chgs	9.2	N	
Destination Name	25	AN	
Destination City	20	AN	
Destination State	2	A	
Destination Zip Code	9	N	
Destination Area Code	3	N	
Destination Prefix	3	N	
Destination Phone	4	N	
Mileage	5	N	

The data processing device 34 sends the transaction information to a central processor 40. In one embodiment, the data processing device 34 is implemented using a



conventional personal computer programmed to operate under the control of an operating system stored in the memory. These types of computer arrangements are not presently programmed to conventionally interface with a central processing center and a processing device located at a shipper's premises. One advantage of interfacing the central processor 40 with shipper access terminal 32 is that the shipper access terminal 32 can control the quantity, quality, and timing of information that is transmitted between the shipper processor 24 and the central processor 40. The access terminal 32 can also control the communication sessions between the shipper processor 24 and the central processor 40. The shipper access terminal 32 is designed so that the shipper 20 may directly access the transaction information. The shipper 20 will not be allowed to make changes to the transaction information, but is able to add additional information. This ensures the integrity of the transaction information. An additional advantage of the access terminal 32 is that the data processing device 34 can receive real-time information from the shipper processor 24 regarding the shipment transaction.

In an alternative embodiment, the shipper access terminal 32 is linked to a magnetic stripe card reader. The card reader accepts a card and transmits the data contained therein to the data processing device 34 of the shipper access terminal 32. The magnetic stripe card reader accepts an identification card from a user of the system. The identification card contains relevant user information. In an alternative application, the access terminal 32 is linked to a bar code reader that is designed to receive information from a bar code and input the bar code information into the data processing device 34. The bar code is printed on the BOL or on a carrier identification card.

The data processing device 34 sends the transaction information to the central processor 40. The design of the central processor 40 is dictated by the desired speed, the number of users, and the amount of data to be processed.

FIG. 4 is a block diagram illustrating an example flowchart for programming the central processor 40 of FIG. 1 to manipulate the transaction information according to the present invention. The central processor 40 receives the transaction information and performs an integrity check on the incoming information to ensure that the information is correctly formatted and contains no errors. If the integrity check is

unsuccessful, the transaction information is stored in a suspense file in a data storage unit 42. Once the error is corrected, the corrected transaction may be sent into the normal process flow. If the integrity check is successful, the central processor 40 retrieves 406 authorized user profile lists from the data storage unit 42.

- 5           The data storage unit 42 is essentially a memory unit that stores information relevant to the shipping transaction. The design of the data storage unit 42 is dictated by the amount of data needed to be stored.

- 10           The authorized user profile lists represent the users and combination of users that are authorized to use the system. Authorized user profile lists include a shipper profile list, a carrier profile list, a carrier/shipper profile list, and a shipper access terminal profile list. The profile lists provide the cross-reference between the payment ID (assigned by central processor 40), an account ID (assigned by an issuing processor 45), and a merchant number (assigned by a paying processor 54).

- 15           An authorized shipper profile list identifies information regarding the shipper and the shipment as can be seen below in Table 2.

**Table 2 - Shipper Profile**

DATA ELEMENT	WIDT H	TYPE	DESCRIPTION
Shipper ID	10	N	Uniquely identifies a legal entity using a single BOL system, assigned by the CP 40.
Account ID	16	N	Account # assigned to shipper 20 by issuing processor 54.
Shipper Name	32	A/N	
Shipper Address 1	32	A/N	Headquarters Address
Shipper Address 2	32	A/N	
Shipper City	28	A/N	
Shipper State/Province	3	A/N	
Shipper Country	3	A/N	
Shipper Contact	32	A/N	
Shipper Phone	10	N	
Open Date	8	N	Supplied by CP 40 when record is built. YYYYMMDD format

DATA ELEMENT	WIDT H	TYPE	DESCRIPTION
Date of First Activity	8	N	Automatically supplied by CP 40 when first BOL record is received by CP 40 - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 40 every time a BOL record is processed
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by system when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status, valid values are OPEN, CLSD, HOLD
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 40
Last update time	4	N	Automatically stamped by CP 40. HHMM format
Last Update User	8	A/N	Automatically pulled from user profile by CP 40.

An authorized carrier profile list identifies information regarding the carrier 22 and the shipment transaction as can be seen below in table 3. Included in the carrier profile is a merchant number that a paying processor 54 assigns to the carrier 22. Each carrier 22 can have multiple merchant numbers if desired. This allows carrier flexibility to assign different merchant numbers for different regions or different shippers. This flexibility facilitates the carrier's business management process. It is not known of existing systems that provide such flexibility.

**Table 3 - Carrier Profile**

COLUMN NAME	DATA WIDT H	DATA TYPE	DESCRIPTION
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COLUMN NAME	DATA WIDTH	DATA TYPE	DESCRIPTION
SCAC	4	A/N	4 character code that uniquely identifies a Carrier 22.
Merchant Number	10	N	Paying processor 54 assigns to each carrier.
Carrier 22 Name	32	A/N	DBA name of Carrier HQ
Carrier Address 1	32	A/N	
Carrier Address 2	32	A/N	
Carrier City	28	A/N	
Carrier State/Province	3	A/N	
Carrier Country	3	A/N	
Carrier Contact	32	A/N	Name of primary contact at Carrier HQ
Carrier Phone	10	N	Phone number of primary contact at Carrier HQ
Open Date	8	N	Automatically supplied by CP 40 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 40 when first BOL record is received by system on this Carrier 22 - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by system every time a BOL record is processed for this Carrier 22
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by CP 40 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 40
Last update time	4	N	Automatically stamped by CP 40 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists by CP 40

An authorized shipper/carrier profile list identifies information regarding valid shipper carrier combinations as can be seen below in table 4.

**Table 4 - Shipper/Carrier Profile**

<b>COLUMN NAME</b>	<b>DATA WIDT H</b>	<b>DATA TYPE</b>	<b>DESCRIPTION</b>
Shipper ID	10	N	
Carrier SCAC	4	A/N	
Merchant Number	10	N	Assigned by Paying processor 54. If blank, use default value from carrier profile.
Proof of Delivery (POD)	1	A	"Y" for POD to be required, "N" for POD not required
Type of POD	4	A	Identifies in what manner the POD is to be received.
Auto close days	2	N	Number of days after which the transaction will close and be paid to the Carrier 22 regardless of whether or not POD has been posted.
Open Date	8	N	Automatically supplied by CP 40 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 40 when first BOL record is received by system - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 40 every time a BOL record is processed
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by CP 40 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 40

COLUMN NAME	DATA WIDT H	DATA TYPE	DESCRIPTION
Last update time	4	N	Automatically stamped by CP 40 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists

- An authorized shipper access terminal profile identifies the shipper 20 as well as the shipping dock. A shipper has a separate shipper access terminal profile for each
- 5 dock. The central processor 40 assigns a different dock ID for each dock. The information included in the access point profile is listed below in table 5.

**Table 5 - Access Terminal Profile**

COLUMN NAME	WIDT H	TYPE	DESCRIPTION
Shipper ID	10	N	Uniquely identifies a legal entity using a single BOL system
Dock ID	3	N	Uniquely identifies a particular physical dock location with a shipper ID.
Account ID	16	N	Issuing Processor 54 assigns. Defaults from shipper profile, can be overridden by shipper.
Dock Name	32	A/N	DBA name of dock originating BOL
Dock Address 1	32	A/N	Street address of dock originating BOL
Dock Address 2	32	A/N	
Dock City	28	A/N	
Dock State/Province	3	A/N	
Dock Country	3	A/N	
Dock Contact	32	A/N	
Dock Phone	10	N	To be used for reporting against completion transaction
Open Date	8	N	Automatically supplied by CP 40 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 40 when first BOL record is received by system - YYYYMMDD format

COLUMN NAME	WIDT H	TYPE	DESCRIPTION
Date of Last Activity	8	N	Automatically updated by CP 40 every time a BOL record is processed
Current Status	4	A	Automatically updated by CP 40 on the effective date if effective date was pre-entered or as part of the on-line transaction if the effective date is changed to today. Valid values are OPEN, CLSD, HOLD
Current Status Date	8	N	Automatically updated by CP 40 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 40
Last update time	4	N	Automatically stamped by CP 40 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists

The central processor 40 authenticates 408 the transaction information by comparing elements of transaction information with the authorized user profile lists. The elements of the transaction information used for authentication include; the identity of the shipper, the identity of the shipper's dock, and the identity of the carrier. If the authentication is successful, the central processor 40 assigns 410 a payment identification number (payment ID) to the transaction information and stores 412 the transaction information in the data storage unit 42. The payment ID is a unique key for the transaction record which the central processor 40 uses to centrally track the transaction. The payment ID includes specific information regarding the shipment transaction including; the shipper identification number, the BOL number, and the shipping date. The advantage of the payment ID is that it allows the central processor 40 to more efficiently and accurately track the different actions occurring within the system. The payment ID can be referenced to the specific identification numbers that any of the users may assign. The payment ID is now considered "open". Open is a

term used to signify that the shipper 20 has transferred the goods to the carrier 22, and the carrier 22 has not yet completed the shipment.

If the authentication is unsuccessful, the central processor 40 stores 414 the invalid transaction in a suspense file in the data storage unit 42. When an invalid  
5 transaction is stored, a notification is sent which indicates that an error has occurred and is in need of further review and correction. Once the error is corrected, the corrected transaction may be sent into the normal process path.

The central processor 40 sends the authenticated transaction information, including the shipper identity and the cost of the shipment, to an issuing institution 44  
10 for authorization. FIG. 5 is a block diagram illustrating an example flowchart for programming the issuing processor 45 of FIG. 1 to perform an authorization check according to the present invention. The issuing institution 44 contains an issuing processor 45. The issuing processor 45 maintains accounts for one or more shippers. Each account includes information regarding credit limits, open authorizations, unpaid  
15 balances, and the resulting open-to-buy. Open-to-buy measures the unused credit limit.

The issuing processor 45 receives 502 the authorization request from the central processor 40. The issuing processor 45 compares 504 the authorization request to the open-to-buy of the shipper and attempts to approve 506 the request. If the shipper 20 has enough open to buy, the issuing processor 45 approves the authorization request.  
20 The issuing processor 45 stores 507 the approved authorization request and decreases 508 the open-to-buy. The issuing processor 45 sends 510 the authorization approval to the central processor 40 and the central processor 40 updates the records in the data storage unit 42. If the authorization is successful, the payment ID is considered "authorized". If the authorization is unsuccessful, the issuing processor 45 sends 512 an  
25 authorization decline to the central processor 40.

After the goods are delivered to a receiver, the payment ID must be "closed". Closed refers to providing proof of delivery (POD) of the shipment in order to complete the shipment transaction. POD includes the identity of the shipper, the BOL number, the carrier invoice number, the delivery date and time, the person acknowledging



receipt, and the condition of the shipment. A carrier processor 46 receives the POD and sends the information to the central processor 40.

In one embodiment, the carrier processor 46 is a conventional bar code reader. The bar code reader is used by the carrier 22 to read a bar code on the shipment. The  
5 bar code reader sends the POD information to the central processor 40.

In an alternative embodiment, the carrier processor 46 is a voice response unit 48 (VRU). FIG. 6 is a block diagram illustrating an example flowchart for programming the VRU 48 according one embodiment of the present invention. In this embodiment, the central processor 40 extracts an open payment ID from the data  
10 storage unit 42. The central processor 40 sends information relating to the open payment ID, including the BOL number and the shipper ID, to the VRU 48. The VRU 48 receives 602 the open BOL number.

A standard touch-tone telephone is used to access the VRU 48. While the location of the telephone is not critical, locating it at the receiver's premises promotes  
15 efficiency, convenience, and accuracy. It is convenient and efficient because the carrier 22 can call the VRU 48 at the exact time the shipment is delivered. It is accurate in that the phone number of the receiver, automatically captured by the VRU 48, will identify where and when the call was made.

The VRU 48 prompts 604 the carrier 22 for the shipper ID. The VRU 48  
20 receives 606 the shipper ID and attempts to match 608 the entered shipper ID with an open shipper ID. If the shipper ID is matched, the VRU 48 prompts 610 the carrier 22 for the BOL number. The VRU 48 receives 612 the entered BOL number and attempts to match 614 the combination of the entered BOL number and shipper ID with an open BOL number and Shipper ID. If the BOL number and shipper ID combination is  
25 matched, the VRU 48 prompts 616 the carrier 22 for condition of shipment. The VRU 48 receives 618 the condition of shipment and sends 620 the POD information which includes BOL number, the shipper ID, and the condition of the shipment to the central processor 40.

If the VRU 48 cannot match either the shipper ID and the BOL number, the VRU 48 prompts 622 the carrier 22 to either try again or routes 624 the carrier 22 to customer service where the problem can be resolved.

FIG. 7 is a block diagram illustrating an example flowchart for programming the  
5 central processor 40 of FIG. 1 generating a deposit file according to the present  
invention. The central processor 40 receives 702 the matched BOL number, the shipper  
ID, and the condition of the shipment from the carrier processor 46. The central  
processor 40 validates 704 the incoming data to ensure that it is error free and properly  
formatted. The central processor 40 extracts 706 the open payment ID from the data  
10 storage unit 42. The central processor 40 authenticates 708 the matched BOL number  
with an open payment ID. If the BOL number and payment ID are authenticated, the  
payment ID is considered complete. The central processor stores 710 the completed  
transaction and corresponding payment ID in the data storage unit 42. If authentication  
is unsuccessful, the central processor 40 stores 712 the information in a suspense file  
15 where the problem can be manually resolved as discussed above.

A payment ID can be completed by the above manner or a payment ID can  
expire. A payment ID expires when a pre-programmed number of days have elapsed  
since the shipping date. This preprogrammed number of days is defined as auto close  
days in the data storage unit 42. A particular transaction is identified by the shipper and  
20 carrier to expire on a specific date, the effective date, whether or not the proof of  
delivery is received. On the effective date, the payment process begins. This has the  
advantage that the carrier 22 will be paid for every shipment carried. Payment to the  
carrier 22 is expedited if proof of delivery is received.

The central processor 40 periodically extracts 714 from the data storage unit 42  
25 the transactions that are listed as “completed and authorized” or “expired and  
authorized.” The central processor 40 sorts and batches 716 the transactions by the  
merchant number. The central processor 40 generates 718 a deposit file 50 for those  
authorized transactions that are completed or expired and which have not been  
previously extracted. In a particular application, one deposit file 50 is created for all  
30 transactions completed by each carrier. The deposit file 50 is formatted so that it is

compatible with the paying processor's 54 format. The deposit file 50 includes the payment ID, the account ID, the carrier identity, the BOL number, the destination city, the destination state, the destination zip code, and the cost of shipment. The cost of the shipment represents the amount that is owed by the shipper 20 and payable to the carrier

5 22.

The central processor 40 performs 720 a general integrity check on the deposit file 50. The integrity check includes: ensuring that the payment ID has been authorized, ensuring that the BOL is completed or expired, and ensuring that payment has not yet occurred for the particular payment ID.

10 If the central processor 40 validates the deposit file 50, the processor 40 sends 722 the deposit file 50 to a paying processor 54 of a paying institution 52. In a particular application, the deposit file 50 is conventionally sent via a telephone transmission. The paying institution has a paying processor 54 which processes financial information and maintains financial accounts for the carrier 22. The paying processor 54 is generally  
15 designed to process financial information. The paying institution 52 maintains one or more accounts for each carrier 22.

FIG. 8 is a block diagram illustrating an example flowchart for programming the paying processor 54 of FIG. 1 according to the present invention. The paying processor 54 receives 802 the deposit file 50 and sends 804 a confirmation message to the central  
20 processor 40 that the deposit file 50 was received.

The paying processor 54 validates 806 the incoming deposit file and generates 808 payment to the carrier 22. The paying processor 54 tenders 810 payment to the carrier 24 and sends 812 this information to the central processor 40 so that the central processor 40 can update the data storage unit 42. In a particular application, the paying  
25 processor 54 tenders payment by directly paying the carrier 22. In an alternative embodiment, the paying processor 54 sends the payment to the carrier's bank conventionally through the Federal Reserve's Automated Clearing House.

One advantage associated with the generation of payments to the carrier 22 is that the carrier 22 is paid relatively soon after the carrier 22 has completed the shipment.  
30 This provides the carrier 22 with improved cash flow and reduces the carrier's working

capital requirements. Another advantage is that the carrier 22 does not have to audit or rate the payment that saves time and money. This streamlined approach reduces the carrier's administrative costs associated with processing a payment.

The paying processor 54 generates 814 a systems bill for the carrier 22. This  
5 systems bill represents the amount the carrier 22 owes for the service provided by the system of the present invention. The paying processor 54 sends 816 the systems bill to the carrier 22. The paying processor 54 sends 818 the systems bill information to the central processor 40 where the information is stored in the data storage unit 42. The paying processor 54 delivers 820 the paid shipment transactions to the issuing processor  
10 45 of the issuing institution 44.

The issuing institution 44 maintains one or more accounts for the shipper 20 and extends and manages credit to the shipper 20. The issuing processor 45 maintains the amount paid to each carrier 22 on behalf of each shipper 20. FIG. 9 is a block diagram illustrating an example flowchart for programming the issuing processor 45 of FIG. 1 to  
15 credit a transaction according to the present invention. The issuing processor 45 receives 902 the paid transactions from the paying processor 54. The issuing processor 45 retrieves 904 the approved authorization list and compares 906 the authorization list with the paid transactions. The issuing processor 45 attempts to match 908 the paid transactions with an authorized transaction. If a match is made, no change is made to  
20 the open to buy. If a match is not made, the issuing processor 45 decreases 910 the open to buy.

The issuing processor 45 posts 912 the cost of shipment for all paid transactions to the shipper's account thereby increasing the balance due from the shipper 20. The issuing processor 45 periodically bills 914 the shipper 20 for the posted financial  
25 transactions paid on behalf of the shipper 20 and periodically receives 916 payment from the shipper 20. When the issuing processor 45 receives payment, the processor 45 posts payment to the shipper's account and increases 918 the open-to-buy.

The issuing processor 45 communicates with the central processor 40 and sends information regarding shipper 20 payment and billing. The central processor 40 updates  
30 the data storage unit 42 with this information.

In an alternative embodiment, the paying institution 52 is incorporated into the issuing institution 44. This results in one processor performing the functions of the issuing processor 45 and the paying processor 54.

A further advantage of the computer processing system for a shipment transaction involving a shipper and a carrier is that the data storage unit 42 and central processor 40 interface to store and provide value-laden information to the users of the system. The central processor 40 provides a security check for all information entering and leaving the data storage unit 42. The central processor edits incoming files and provides on-line alarms for duplicate files, stale dated files, out of balance files, and files with corrupt data. The central processor 40 maintains a suspense file in the data storage unit 42 where incoming invalid transaction information and unmatched proof of delivery information are stored. With a centrally located suspense file, the problem resolution process is more efficient.

The central processor 40 maintains data views and tables and stores this information in the data storage unit 42. The central processor 40 maintains a BOL Header Table for each BOL number that generally includes a summary of all information relating to that shipment transaction. This information is shown in the table 6 below. The source of the particular data element is indicated in column four of table 6.

Table 6 BOL Header Data Elements

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Type</b></i>	<i><b>Source</b></i>	<i><b>Purpose</b></i>
Shipper ID	10	N	CP 40	Record ID
Dock ID	3	N	CP 40	Record ID
Account ID	16	N	CP 40	Record ID; reporting
Bill of Lading #	15	AN	Shipper	Record ID
Ship Date	8	N	Shipper	Record ID, reporting
SCAC	4	A	Shipper	Alternate index, identifies Carrier
Merchant #	10	N	CP 40	Alternate index, for CP 40 usage
Vendor #	10	N	Shipper	Alternate index, allows Shipper to specify its vendor number for a given carrier

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Type</b></i>	<i><b>Source</b></i>	<i><b>Purpose</b></i>
Customer Number	10	N	Shipper	Alternate index, allows Shipper to specify it's customer number for a given receiver
Customer PO #	15	AN	Shipper	Alternate index, reporting
Shipper Order #	15	AN	Shipper	Alternative Index
Vendor Order Number	15	AN	Shipper	Reporting, alternate locator
Shipper Name	35	AN	Shipper	Reporting
Shipper Contact Person	20	A	Shipper	Claims
Shipper Phone #	15	AN	Shipper	Claims
Origin Designator	10	AN	Shipper	Reporting
City	20	AN	Shipper	Reporting
State	2	A	Shipper	Reporting
ZIP Code	9	N	Shipper	Reporting
Division Code	2	AN	Shipper	Reporting
Reference B/L #1	15	AN	Shipper	Consolidated Shipments
Reference B/L #2	15	AN	Shipper	Consolidated Shipments
Reference B/L #3	15	AN	Shipper	Consolidated Shipments
Bill of Lading Type	1	AN	Shipper	Reporting
Shipment Mode	3	AN	Shipper	LTL, TL, RAI, AIR.
Inbound, Outbound Flag	1	AN	Shipper	Reporting
Prepaid, Collect Flag	1	AN	Shipper	Reporting
COD Flag	1	AN	Shipper	Reporting
COD Amount	9.2	AN	Shipper	Reporting
Shipment Value	9.2	AN	Shipper	Reporting; claims
Driver Name	20	AN	Shipper	Reporting; Claims
Trailer/Car #	15	AN	Shipper	Reporting; claims
Trailer/Car Seal #	15	AN	Shipper	Reporting; claims
Import, Export Flag	1	AN	Shipper	Reporting
# Stops	2	N	Shipper	Reporting
Stop Off Charges	7.2	AN	Shipper	Reporting
Rated Freight Charges	9.2	AN	Shipper	Payment, reporting
Cube Dimensions	5	N	Shipper	Reporting
Shipment "as weight"	7.2	N	Shipper	Reporting; claims
Accessorial Charges	7.2	AN	Shipper	Payment, reporting
Total Freight Chgs	9.2	AN	Shipper	Payment, reporting

<b>Data Element</b>	<b>Length</b>	<b>Type</b>	<b>Source</b>	<b>Purpose</b>
Destination Name	25	AN	Shipper	Reporting
Destination City	20	AN	Shipper	Reporting
Destination State	2	A	Shipper	Reporting
Destination Zip Code	9	N	Shipper	Reporting
Destination Area Code	3	N	Shipper	Reporting, verification
Destination Prefix	3	N	Shipper	Reporting, verification
Destination Phone	4	N	Shipper	Reporting, verification
Mileage	5	N	Shipper	Reporting
Voucher/Check #	12	AN	CP 40	Inquiry
Ship Date	8	N	Shipper	Life cycle tracking
CP 40 Receipt Date	8	N	CP 40	Life cycle tracking
Storage Insert Date	8	N	CP 40	Life cycle tracking
VRU Extract Date	8	N	CP 40	Life cycle tracking
Authorization Date	8	N	CP 40	Life cycle tracking
Authorization #	6	AN	Issuing Proc.45	From authorization response feed
Auth Response Code	2	AN	Issuing Proc.45	From authorization response feed
Delivery Date	8	N	CP 40	Life cycle tracking
Completion Date	8	N	CP 40	Life cycle tracking
Deposit Extract Date	8	N	CP 40	Life cycle tracking
Settlement Date	8	N	Paying Proc.54	From Settlement record
Settlement DDA #	12	AN	Paying Proc.54	From Settlement record
Shipper Billing Date	8	N	Issuing Proc.45	From statement billing file feed for life cycle tracking
Delivery Area Code	3	N	Carrier Proc	POD tracking, claims
Delivery Prefix	3	N	Carrier Proc.46	POD tracking, claims
Delivery Phone	4	N	Carrier Proc.46	POD tracking, claims
Receiver Name	20	A	Carrier	POD tracking, claims
Receipt Condition	1	A	Carrier Proc.46	Quality of service tracking, claims
POD ID	15	AN	Carrier Proc.46	Provided by carrier 22(such as FedEx, UPS) who has accepted POD system

In addition, the central processor 40 maintains BOL line item details from the transaction information. The BOL line item details generally consist of information relating to the goods of the shipment as can be seen below in table 7.

Table 7 - BOL Line Item Detail Data Elements

5

<i>Data Element</i>	<i>Length</i>	<i>Type</i>	<i>Source</i>	<i>Purpose</i>
Shipper ID	16	N	CP 40	Record ID
Bill of Lading #	15	AN	Shipper	Record ID
Ship Date	8	N	Shipper	Record ID
Product Description	28	AN	Shipper	Reporting, claims
Product ID	8	AN	Shipper	Reporting, claims
Product Value	7.2	\$N	Shipper	Claims
Haz Mat Flag	1	AN	Shipper	Reporting, claims
Item Weight	7.2	N	Shipper	Reporting, claims
Total Pcs	5	N	Shipper	Reporting, claims
Item "as weight"	7.2	N	Shipper	Reporting
Unit of Measure	4	AN	Shipper	Reporting, claims
Accounting Code	25	AN	Shipper	Reporting
Item Freight Charges	7.2	N	Shipper	Reporting, claims

In the example system application of FIG. 1, the carrier 22 will not have access to the BOL line item product value, but will be able to see the line item freight charges.

10 A further advantage of the shipment transaction system of FIG. 1 is that the system allows multiple users to obtain information about the same shipment from the same source. Since the system supplies information from the same source, all users will obtain the same information at the same time. This advantage of timeliness does not exist in current systems. Existing systems are not known to provide a single source of  
15 up-to-date information regarding multiple shipment transactions.

In an alternative embodiment, multiple users access the shipment information via the central processor 40. The shipment information is stored in the data storage unit 42. The central processor 40 is electronically linked to a multitude of user stations. The link between the central processor 40 and a user station allows for conventional two-



way communication. The user station is a standard personal computer comprising of a video display, a keyboard, a central processor, and a modem link. A user initiates a request for information by accessing the central processor 40 using the personal computer. When the user is logged into the central processor 40, the central processor

5 40 prompts the user to enter a password.

The central processor 40 provides a security check on all information requests. The security check is programmed such that the shipper 20 and carrier 22 are restricted to accessing only their own data. In addition, the processor 40 is programmed such that unauthorized parties are denied access.

10 The central processor 40 receives informational requests from the user. The central processor 40 accesses the data storage unit 42 and extracts the requested information and transmits the information to the user's station. The advantage of such an information service is clear. Users will be able to obtain current information regarding a shipment transaction.

15 In a particular application, once a user has access to the system, the central processor 40 will prompt the user for a range of dates of interest including the current day, the previous day, monthly total, yearly total, or a specified date range. The central processor 40 displays the transaction information, freight amounts, shipment costs, total weight, and cost per pound for various types of transactions including: transactions

20 added to the data storage unit, transactions with proof of delivery, transactions that have expired, transactions in the suspense file, transactions paid to carrier, transactions in transit, transactions declined, and transactions approved.

The central processor 40 allows user's to request a particular transaction by entering any one of a multitude of transaction elements. The central processor 40

25 identifies a particular transaction with reference to the BOL number, the shipper's customer number for the receiver 22, the payment ID, the carrier's customer number for the shipper 20, the merchant number, the account ID, the receiver's order number for the shipper 20, the shipper's order number for the BOL number, or the shipping date. This ensures compatibility between the user reference numbers such that the user can

30 access information using their unique reference number assigned to the transaction.

The example application has additional advantages. The central processor 40 provides to all authorized users the ability to generate custom analysis of their own data. This has the advantage of giving the carrier 22 the ability to extract payment data needed to automatically post his accounts receivable system. This is an advantage over  
5 existing systems that rely on manual distribution of payment against the account receivable system. Similarly, the shipper can extract payment data and automatically post his accounts payable which closes out the individual accounts payable due to each carrier. An advantage stemming from this automated system is that the shipper 20 does not need a paper invoice in order to have proof of delivery. The shipper 20 accesses the  
10 central processor 40 and verifies which shipments have been delivered by a particular carrier 22. Similarly, the carrier 22 accesses the central processor 40 to find out which transactions have been paid out by the shipper 20. This informational system removes much uncertainty from the shipment process that promotes more efficient use of available resources such as working capital, transportation, and personnel.

15 In a particular application, the central processor 40 generates standard shipment transaction summary reports and provides appropriate access to the reports by various users. These reports include a transaction inventory control report, an open aging summary report, a suspense inventory control by source report, and a suspense inventory aging summary report. The central processor 40 uses the security profiles to  
20 determine which subset of transaction records will be summarized for each user. For example, the shipper 20 has access only to that shipper's reports.

The inventory control report provides control totals of BOL numbers, merchandise value, and freight value. There are key control points including: starting inventory position, new BOL's from shippers, BOL's closed since the last report by the  
25 different methods discussed for closing BOL numbers, BOL's re-opened since the last report by manual proof of delivery override via customer service, BOL's canceled since the last report, and the ending inventory position.

The open aging summary report contains those BOL numbers that have not been delivered. In addition, the freight value and merchandise value for each shipper ID and  
30 Dock ID are supplied for distinct age groups. The age groups include groupings by

consecutive days since the shipping date and one group for 10 days past the shipping date. The suspense inventory control by source report includes merchandise and freight value amounts of transactions in the suspense file. Several control points for the suspense inventory control include: starting inventory position, new inventory added since last report, inventory cleared since last report, inventory deleted since last report, inventory undeleted since last report, and ending inventory position. The suspense inventory aging summary report provides an aged summary of suspense files including the merchandise and freight value of items that are in the suspense file by original receipt date.

10           The central processor 40 generates detailed reports including: the inventory aging detail report, the suspense inventory aging detail report, and the declined item aging detail report. The detail reports are viewed by either the shipper ID/Dock ID/account ID combination or by the carrier ID/merchant number combination. The inventory aging detail report lists the open BOL numbers sorted by the days in  
15   inventory, the shipper ID combination, and the BOL number. The inventory detail report lists the merchandise and freight value associated with each open BOL number. The suspense inventory aging detail report lists open BOL numbers by source and receipt date. Several fields are displayed including: shipper ID, dock ID, account ID, BOL number, carrier ID, freight value, and the merchandise value. The declined item  
20   aging detail report allows users to research the cause of exception items and lists the shipper ID combination, ship date, authorization time, BOL number, shipper invoice number, merchant number, and freight value. The declined item aging detail report is viewed by either shipper ID/dock ID/account ID combination, or by carrier ID/merchant number combination.

25           The central processor 40 generates two reports that reference declined authorizations. These reports include the declined item summary report and the declined item aging report. The declined item summary report summarizes information regarding the declined authorization. The declined item aging report summarizes the information regarding the declined authorization by the shipping date.

Referring now to FIGs. 10A-10C, according to the present invention, example transactional processes for implementing ship transactions are shown in the form of flow diagrams. FIG. 10A illustrates a manner in which accounts for shippers and carriers can be set up in a database for processing shipment transactions by the main  
5 CPU system running the operations.

The approach shown in FIG. 10A includes five levels, with each level applicable to both the shipper and the carrier. At level 1010, an account is merely established for the shipper/carrier. Setting up the account and defining the company profile is administered by the central operators. For instance, if a credit institution, such as a bank  
10 with a credit division, owns and/or is operating the main CPU and defining communication access to the system, an agent of the credit institution administers these tasks. At level 1014, a company profile is established on the main CPU for the shipper/carrier. A typical company profile includes, among other particulars, contact information, facility locations, invoicing/debit/credit agreements for system use, and  
15 security information. Defining a company profile permits the shipper/carrier to be a user of the system with access to information processed by the main CPU for the shipper/carrier. At level 1016, a profile for the system administration is established to refine the shipper/carrier's access to the information associated within its company (the shipper or carrier) and organizational unit. At levels 1020 and 1024, the  
20 shipper/carrier's administrator defines operational profiles to define how the company will use the shipment transaction system.

According to a more specific implementation, there are specific operational profiles and specific user profiles used by the main CPU to execute operations. These specific operational profiles fall into five categories: approval policies to define the  
25 monetary limits for each particular approver of bills; floor limits to define any rule for automatic approval of bills; G/L charts of accounts that are used in the process of allocating freight expenses to particular accounts within the company's general ledger system; operational filters to define characteristics of the rights of each user of the system within the company; and data filters that define business rules that are used to  
30 limit the transactions such a user can see.

The specific user profiles, which are issued and managed by the company using the system, are used by the system to enforce business rules with the company. These rules may include, for example, that every user ID: be unique, associated with only one organizational unit within only one company, and have only one operational filter and only one data filter associated with it. Examples of other such business rules include establishing that actions performed by the company are binding and that updates to the company's profiles be made regularly.

At levels 1026 and 1028, the main CPU uses the previously defined information to establish the user relationships (depicted at level 1026) and to define carrier vendors or shipper customers, respectively, for the shipper-type company or the carrier-type company.

Using the above information, the main CPU then begins to define trading partners and trading parameter data for each shipper and for each carrier. This is depicted at level 1034 of FIG. 10A.

For additional examples of ways to implement the above-characterized levels, as well as other aspects and examples of the various example embodiments, reference may be made to the attached Appendix A (Training Guide) and to the attached Appendix B (Users Guide). For example, for information relating to the example setup information of FIG. 10A, reference may be made to Chapter 1 of attached Appendix B (Users Guide).

FIG. 10B illustrates an example relationship that may be used in the shipment transaction system for processing freight payments. As discussed above in connection with FIGs. 1, 2 and 2A, upon receipt of the BOL (block 1040), the main CPU receives notification of delivery (block 1042) and the creditor (*e.g.*, financial institution or bank) approves transaction 1044 and authorizes payment (block 1046). Payment is then made to the carrier as indicated in block 1048.

FIG. 10C illustrates example processes for transactional flow, between a carrier and a shipper, in an example shipment transaction system referred to as "PowerTrack".<sup>®</sup> As illustrated in FIG. 10C, work transactions 1050 occur in response to activity input to the system from equipment, such as computers or other data input/output devices,

operated by the shipper and the carrier. Such equipment is depicted as shipper items 1052a, 1052b and carrier items 1054a, 1054b. The main CPU 1056 processes the data via Internet communication links, and interfaces with a payment-center CPU 1058 operated by the creditor/bank. As illustrated, the main CPU 1056 and the payment-center CPU 1058 exchange data with each other and the items 1052a, 1052b, 1054a, 1054b to effect proper payment in response to cleared shipment transactions.

FIG. 11 illustrates an example communication path from an architectural perspective in which an array of computers and data routers are used in an example implementation of a system and method, according another aspect of the present invention. The computers include gateway-implemented firewalls 1064, 1066 and 1068, and data routers in the form of hubs H1-H6 (available from 3Com). Each of the firewalls 1064, 1066 and 1068, and data routers H1-H6, along with other accessible stations in FIG. 11, have unique Internet addresses. The operators controllers 1076 of the main CPU 1078 access tier II, which is used to maintain databases for the system, via a path through the firewall 1066 and directly back through hub H3, or via a path out toward hub H2 and back through hub H3. The financial institutional (not shown) accesses the system, along with access by the shippers and carriers, via the Internet at block 1080. An outside entity, for example, an auditor can also be setup and authorized by the system to access information, and this typically occurs via a path through the Internet or the firewall 1064.

Within tier II, database/servers are maintained in a dual manner to permit for execution of programs for actual system use and for user acceptance testing. Business logic database/servers 1081 and 1083 store an object oriented program that is used to execute the processing in the actual system (1081) and for user acceptance testing (1082). Also for the actual system (1082) and for user acceptance testing (1084), database/servers 1082 and 1084 provide web server functions for the Internet access at block 1080. Database/server 1085 is used as a background tool and is useful, for example, for sending and receiving information between tier II components and the main CPU 1078. Database/servers 1089 and 1090 store shipment transaction information for processing in the actual system (1089) and for processing the same data

for analytical purposes, for example, in response to inquiries made by the shipper, the carrier, the bank, or an outside entity (*e.g.*, an auditor).

Database/servers 1088, 1089 and 1090 can be used to duplicate the functionality of database/servers 1085, 1086 and 1087 for testing purposes.

5 Database/servers 1091 and 1092 can be used as interactive voice response units adapted to be used by carriers to receive information such as delivery notification, as discussed previously.

As mentioned above, for additional details concerning example implementations and aspects, and alternative embodiments of the present invention, reference may be  
10 made to the attached Appendix A (Training Guide) and to the attached Appendix B (Users Guide), each of which forms part of the instant patent application.

This invention need not be limited to scenarios involving shipment of product and the use of physical carriers for transportation of the product or equipment, since an important advantage of the invention is to provide the parties involved a mechanism for  
15 auditing transaction information to validate that a transaction occurred properly and as agreed upon by the parties involved. The present invention also provides for application of the validation system in other areas, by way of example only, but should not be limited to these transaction scenarios. Telecommunications service vendors or telephone operating companies (TELCOs) are interested in providing their services to  
20 third party customers but do not wish to add additional infrastructure (more personnel and equipment) in order to engage more customers for their services. The TELCO can engage the services of an independent system manager that installs the necessary hardware and software at the location of the third party customer and is then responsible for ongoing service and maintenance of the equipment and software. In return, the  
25 system manager is paid a fee by the TELCO for the initial set up and ongoing service calls that may be made by the third party customer. These transactions are validated to ensure that they were properly completed and then payment is sent to the system manager for services rendered.

In the area of services, vendors that provide a particular service usually secure  
30 customers through a network of agents or service providers that work directly with the

customers to sign them up for the service. As shown in FIG. 12, a vendor 1220 through his vendor processor 1224 initiates the service transaction by acting in conjunction with a Service Quotation or Bidding engine (such as a computer-run programmed task) 1230 to generate a quote for the cost of the service. Vendor processor 1224 sends the quote

5 to a data processing device 1234 of a vendor access terminal 1232. Similar to the shipping scenario, the data processing device 1234 generates transaction information and sends the transaction information to a central processor 1240. The central processor 1240 identifies and centrally tracks the transaction information. A service provider processing device 1246 receives proof of delivery or confirmation that the customer has

10 received the service or is now subscribed to the service and this information is sent back to the central processor 1240. The central processor 1240 processes and stores all pertinent service subscription information in a data storage unit 1242 and allows immediate access to this information by the vendor 1220, the service provider 1222, and other authorized users. The central processor 1240 interfaces with an improved payment

15 system including an issuing institution 1244 and a paying institution 1252. An issuing processor 1245 of the issuing institution 1244 maintains a credit account for the vendor 1220 and debits the vendor's account for the service provider's fee (cost of setting up the customer to be able to deal directly with the vendor; or cost of getting the customer subscribed to the service, etc...) when authorized to do so. A paying processor 1254 of

20 the paying institution 1252 tenders payment to the service provider 1222.

In a specific example, a communications services provider assumes the role of the vendor for services ranging from telephone to cable (this includes wireless, satellite, video conferencing, internet services, video of demand, etc.) and an authorized agent assumes the role of the service provider that helps the vendor sign up customers for a

25 fee. The rest of the transaction is similar to the transaction characterized in connection with FIG. 12 for auditing and payout purposes. Finally, tables comparable to Tables 1-7 (see also Table 1A and Tables 11-15) can be developed for the service provider locations and identifying information, as well as authorized users profiles, so that the auditing and payment operations pursuant to the transactions can be conducted as

30 described in earlier embodiments.



FIG. 13 illustrates an example in which the service provider 1320 initiates the transaction, pursuant to customer 1321A request for quote, and generates the transaction information that commences the entire transaction. With this system, vendor 1322 can verify that the transaction entered into by the service provider has indeed taken place and that the customer is satisfied before payment is authorized to the service provider. Specifically, the purchase order is processed through processor 1324 that acts in conjunction with quotation generating engine 1330 (such as a computer-run programmed task). Processor 1324 can simultaneously conduct a credit check of customer 1321A as per instructions of vendor before any transaction is formally entered in the system. Quotation generating engine 1330 generates a quote for the customer with the parameters of the service (which may also include a product purchase as part of the package) that he is subscribing to. By way of example, if the transaction is for cellular phone service, engine 1330 generates a quote for the cost of the monthly service, rate per minute, cost of the initial phone purchase, any weekend discounts, etc. Typically, the quotation engine may be a combination of application software and hardware (local PC or server; or a server that is remotely accessed) that contains the quotation algorithm and database that the user (service provider or vendor/subvendor) needs to generate a formal quote for the customer while initiating part of the transaction in the system. The engine 1320 accepts data like: name of prospect customer, address, phone number, # of users, type of service desired, billing particulars, credit history evaluation, social security numbers, etc.. The next step can include the generation of a customer profile (which can include information on the service provider and his location) and identification/customer number that can be used for tracking purposes by the vendor (or subvendor). This customer I.D. number can be used later to track payment to service provider. The quotation algorithm and database within engine 1330 (usable by service provider 1320) can remain static for a fixed period of time, can be changed at regular or agreed upon intervals or can be coupled real-time to the vendor's database to allow for up to the minute rate changes, special discounts or promotional programs that may be applicable. Line 1331 indicates the coupling that can exist between engine 1330 and vendor 1322, that may be hardwired, wireless, through a

network, internet, satellite or any other mechanism or system that will allow for one or two way coupling and communication between the vendor and the service provider.

Assuming that all details of the initial transaction are in order, processor 1324 sends the complete purchase information to data processing device 1334 of access terminal 1332; processing device 1334 then sends the transaction information to central processor 1340. Vendor processing device 1346 receives proof of delivery of service provided, or confirmation that the subscriber of the service has met all of the acceptance criteria, and that he is now ready to be connected to the system (e.g. cellular phone system). Central processor 1340 processes and stores all pertinent transaction information in data storage unit 1342, which allows for immediate access to the information by the vendor 1322, the service provider 1320 and any other authorized users for verification of data integrity and tracking purposes. The remainder of the transaction is similar to embodiments already described, wherein the paying institution 1352 and the issuing institution 1344 are involved in processing the payment to the service provider once it has been authorized by vendor. Further, the paying and issuing institution may be one and the same and can charge its fees to the vendor and service provider in the system as it is receiving payments from vendor 1322 and tendering payments to service provider 1320.

As an example of the type of information that could be used in the vendor/service provider scenario, reference is made to the following Tables:

**Table 1A - Transaction Information**  
(Vendor/Service Provider)

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Type</b></i>	<i><b>DESCRIPTION</b></i>
Vendor ID	10	N	Record Vendor ID
Vendor Office ID	3	N	Record Vendor Office ID
Quotation #	15	AN	Record ID; also customer PO#
Ship Date	8	N	Record ID, reporting
Service Provider Terms	4	AN	Payment period
Consolidated invoice	1	N	1=Yes; 2=No
Customer Number	10	N	Alternate index, allows Vendor 1220 to specify it's customer number
Customer PO #	15	AN	Alternate index, reporting

<i>Data Element</i>	<i>Length</i>	<i>Type</i>	<b>DESCRIPTION</b>
Order #	15	AN	Alternate index
Service Provider Order Number	15	AN	Reporting, PO associated with service provided
Service Provider Name	35	AN	Name of service provider

**Table 11 - Vendor Profile**

<b>DATA ELEMENT</b>	<b>WIDT H</b>	<b>TYPE</b>	<b>DESCRIPTION</b>
Vendor ID	10	N	Uniquely identifies a legal entity using a single quotation system (e.g.engine 1230), assigned by the CP 1240.
Account ID	16	N	Account # assigned to Vendor 1220 by issuing processor 1245.
Vendor Name	32	A/N	
Vendor Address 1	32	A/N	Headquarters Address
Vendor City	28	A/N	
VDR. State/Province	3	A/N	
VDR. Country	3	A/N	
VDR.Contact	32	A/N	
VDR. Phone	10	N	
Open Date	8	N	Supplied by CP 1240 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 1240 when first quote record is received by CP 1240 - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 1240 every time a quote record is processed
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by system when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status, valid values are OPEN, CLSD, HOLD

DATA ELEMENT	WIDTH	TYPE	DESCRIPTION
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 1240
Last update time	4	N	Automatically stamped by CP 1240. HHMM format
Last Update User	8	A/N	Automatically pulled from user profile by CP 1240.

**Table 12 – Vendor/Service Provider Profile**

COLUMN NAME	DATA WIDTH	DATA TYPE	DESCRIPTION
Vendor ID	10	N	
Service Provider ID	4	A/N	
Merchant Number	10	N	Assigned by Paying processor 1254. If blank, use default value from service provider profile.
Proof of Service Delivery (POD)	1	A	“Y” for POD to be required, “N” for POD not required
Type of POD	4	A	Identifies in what manner the POD is to be received.
Auto close days	2	N	Number of days after which the transaction will close and be paid to the Service Provider 1222 regardless of whether or not POD has been posted.
Open Date	8	N	Automatically supplied by CP 1240 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 1240 when first quote record is received by system - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 1240 every time a quote record is processed
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.

COLUMN NAME	DATA WIDT H	DATA TYPE	DESCRIPTION
Current Status Date	8	N	Automatically updated by CP 1240 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 1240
Last update time	4	N	Automatically stamped by CP 1240 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists

5

**Table 13 – Service Provider Profile**

COLUMN NAME	DATA WIDT H	DATA TYPE	DESCRIPTION
SP	4	A/N	4 character code that uniquely identifies a Service Provider (SP) 1222.
Merchant Number	10	N	Paying processor 1254 assigns to each SP.
SPp 22 Name	32	A/N	DBA name of SP HQ
SP Address 1	32	A/N	
SP Address 2	32	A/N	
SP City	28	A/N	
SP State/Province	3	A/N	
SP Country	3	A/N	
SP Contact	32	A/N	Name of primary contact at SP HQ
SP Phone	10	N	Phone number of primary contact at SP HQ

COLUMN NAME	DATA WIDT H	DATA TYPE	DESCRIPTION
Open Date	8	N	Automatically supplied by CP 1240 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 1240 when first quote record is received by system on this SP 1222 - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by system every time a quote record is processed for this SP 1222
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by CP 1240 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 1240
Last update time	4	N	Automatically stamped by CP 1240 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists by CP 1240

**Table 14 – Vendor/Service Provider Access Terminal Profile**

COLUMN NAME	WIDT H	TYPE	DESCRIPTION
Vendor ID	10	N	Uniquely identifies a legal entity using a single quotation system (e.g engine 1230)
SP ID	3	N	Uniquely identifies a particular physical location with a Service Provider ID.
Account ID	16	N	Issuing Processor 1254 assigns. Defaults from SP profile, can be overridden by vendor

COLUMN NAME	WIDTH	TYPE	DESCRIPTION
SP Name	32	A/N	DBA name of SP originating quote
SP Address 1	32	A/N	Street address of SP originating quote
SP Address 2	32	A/N	
SP City	28	A/N	
SP State/Province	3	A/N	
SP Country	3	A/N	
SP Contact	32	A/N	
SP Phone	10	N	To be used for reporting against completion transaction
Open Date	8	N	Automatically supplied by CP1240 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 1240 when first quote record is received by system - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 1240 every time a quote record is processed
Current Status	4	A	Automatically updated by CP 1240 on the effective date if effective date was pre-entered or as part of the on-line transaction if the effective date is changed to today. Valid values are OPEN, CLSD, HOLD
Current Status Date	8	N	Automatically updated by CP 1240 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 1240
Last update time	4	N	Automatically stamped by CP 1240 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists

**Table 15 – Service Quotation Data Elements**

<i>Data Element</i>	<i>Length</i>	<i>Type</i>	<i>Source</i>	<i>Purpose</i>
Vendor ID	10	N	CP 1240	Record ID
SP ID	3	N	CP 1240	Record ID
Account ID	16	N	CP 1240	Record ID; reporting

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Type</b></i>	<i><b>Source</b></i>	<i><b>Purpose</b></i>
Quotation #	15	AN	S P	Record ID
Service Date	8	N	SP	Record ID, reporting
SPAC	4	A	SP	Alternate index, identifies Service Provider
Merchant #	10	N	CP 40	Alternate index, for CP 1240 usage
Vendor #	10	N	SP	Alternate index, allows SP to specify its vendor number for a given vendor
Customer Number	10	N	Vendor/ SP	Alternate index, allows Vendor or SP to specify it's customer number
Customer PO # (Quote #)	15	AN	SP	Alternate index, reporting
SP Order #	15	AN	SP	Alternative Index
Vendor Order Number	15	AN	SP	Reporting, alternate locator
Vendor Name	35	AN	SP	Reporting
Vendor Contact Person	20	A	SP	Claims
Vendor Phone #	15	AN	SP	Claims
Origin Designator	10	AN	SP	Reporting
City	20	AN	SP	Reporting
State	2	A	SP	Reporting
ZIP Code	9	N	SP	Reporting
Division Code	2	AN	SP	Reporting

**Table 16 - Service Quotation Line Item Detail Data Elements**

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Typ e</b></i>	<i><b>Source</b></i>	<i><b>Purpose</b></i>
Vendor ID	16	N	CP 1240	Record ID
Quotation/PO #	15	AN	SP	Record ID
Service Date	8	N	SP	Record ID
Service Description	28	AN	SP	reporting, claims
Service Program ID	8	AN	SP	reporting, claims



The above-described system can be used by authorized representatives (or agents) to help customers subscribe to other types of services for a fee. Travel agents are already commission-based when they assist customers in making reservations for lodging, air and land transportation; however, they can now be tied to this system for  
5 faster processing of payments back to them in return for a fee that can be charged by the banking institution for this service.

The system can also be used in the area of providing wireless communications services (or entertainment services such as satellite programming or satellite communications) to third party customers , via authorized or empowered  
10 representatives, to verify that customers have the correct equipment and software to receive the service from the communications vendor. The representative is involved in preliminary issues of credit checks and programming selection and is the normal contact for the customer if any service issues arise. The representative is paid a fee for the initial set up and ongoing support of the customer using the transaction validation  
15 system described to ensure that the work was properly done and that payment is issued to the authorized representative by an authorized user of the system. This system is also applicable in the area of video conferencing services, where a third party customer is interested in working with the communication services vendor through a communications consultant. The consultant helps to set up the equipment and software  
20 required to connect to the video conferencing network and is there to service the customer's needs on an ongoing basis. The consultant provides all of the services for a fee to be paid by the communications service vendor.

Software or information technology (IT) developers also benefit from this system when using IT consultants that work closely with third party customers,  
25 specifically when such customers need help in upgrading and maintaining their systems. The IT consultants are paid using the transaction validation system described for services rendered. Companies selling products through online (Internet) agents such as Buy.com, eBay.com or eToys.com or via a normal telephone (such as florists, catalog purchases, QVC, Home Shopping Network, etc..) also benefit from this system.

The role of a “vendor” is becoming blurred as more companies start to shift their manufacturing of products to companies that specialize in the manufacture of that type of product in response to the customer’s demand for lower cost, shorter lead times and better technology. This is especially true in the area of computers and consumer electronics. OEM companies like IBM and HP, in the computer area, and Ericsson and Qualcomm, in the mobile communications area, have shifted much of their manufacturing to contract manufacturers such as Solecron and Flextronics. Contract manufacturers have the capability of taking the engineered designs of these customers and manufacturing them at the lowest possible cost due to their purchasing strength and logistic capabilities. They in turn will ship the completed product to the end customer (e.g. Circuit City, Best Buy, and etc..) on behalf of the OEM and invoice that customer if the OEM chooses that method. Here the contract manufacturer has control of the carrier that will be shipping the product to the OEM’s customer. In the eyes of the customer the vendor is still the OEM that is the party receiving the P.O. and whom they are holding responsible if the product has a problem or is not shipped on time. The emerging vendor/subvendor relationship, including the service provider (providing transportation services in this case) who is involved in this type of transaction, requires the banking institution to ultimately pay the service provider and subvendor when it is authorized by the vendor to do so. This is another opportunity for the banking institution to expedite auditing and financial negotiations due to the presence of the subvendor in this equation.

Referring now to the example process depicted in connection with FIG. 14, vendor/OEM 1420 receives a purchase order through vendor processor 1424A from a customer for product/equipment with a requested shipping date. Processor 1424A initiates a transaction by acting in conjunction with subvendor processor 1424B and quotation generating engine 1430 to generate a quote for the equipment and shipping date for the customer. Subvendor processor 1424B sends the quotation to vendor processor 1424A and to a data processing device 1434 of the subvendor access terminal 1432. Vendor can now add their markup before advising customer of equipment ship date but now knows what it owes the subvendor if the entire transaction occurs as

planned. The data processing device 1434 generates the transaction information and sends the transaction information to the central processor 1440, which in turn identifies and centrally tracks the transaction information. A service provider device 1446 receives proof of delivery information and sends this information to the central

5 processor 1440. Central processor 1440 processes and stores all pertinent information in a data storage unit 1442 and allows immediate access to their information by the vendor, subvendor and the service provider. When vendor processor 1424A receives confirmation or proof of delivery then it, or its authorized agent/user, will authorize payment to subvendor. This is also a signal to subvendor that the subvendor controlled

10 service provider 1422 can now be paid. Service provider's 1422 notice to central processor 1440 that delivery is confirmed reaches both vendor and subvendor simultaneously through central processor 1440 to ensure a closed loop system. The issuing processor 1445, of the issuing institution 1444, maintains a credit account for both the vendor 1420 and subvendor 1421 and debits the vendor's account for the cost

15 of the entire project (which was calculated with a different algorithm initially to avoid disclosing cost information to the end customer) when payment to subvendor is authorized by vendor. Subvendor's account is debited by issuing processor 1445 for cost of service provider's 1422 service when authorized by subvendor. The remaining part of the auditing and payment system is substantially similar to embodiments

20 described above.

Referring briefly to Tables 1-7, the content of these tables for the subvendor is similar to that of the shipper/carrier scenario described earlier since the service provider is acting like a manufacturer of goods that needs to ship product to a customer via a carrier. Additional profiles similar to Table 1B (Transaction Information

25 – Vendor/Subvendor/Service Provider), Table 8 (Vendor Profile) and Table 9 (vendor/subvendor profile) would be developed for a particular transaction. The subvendor can provide part of the service package that the vendor has contracted him to do and have the package delivered to the end customer through another party that will act as a service provider. For instance, IBM contracts with a subvendor to install a

30 software update for a global IBM customer with a presence in Costa Rica. The

subvendor in turn contracts with a local Costa Rican software consultant (service provider) to perform the actual software update at the customer site. Once the tables have been established and put into the system (and the authorized users identified) the auditing and payment operations can be performed substantially the same as described in earlier embodiments.

**Table 1B - Transaction Information**  
(Vendor/Subvendor/Service Provider)

<i><b>Data Element</b></i>	<i><b>Length</b></i>	<i><b>Type</b></i>	<i><b>DESCRIPTION</b></i>
Vendor ID	10	N	Record Vendor ID
Vendor Office ID	3	N	Record Vendor Office ID
Quotation #	15	AN	Record ID; also customer PO#
Ship Date	8	N	Record ID, reporting
Subvendor Terms	4	AN	Payment period
Consolidated invoice	1	N	1=Yes; 2=No
Customer Number	10	N	Alternate index, allows Vendor1420 to specify it's customer number for a given receiver
Customer PO #	15	AN	Alternate index, reporting
Order #	15	AN	Alternate index
Subvendor Order Number	15	AN	Reporting, PO associated with shipment
Service Provider Name	35	AN	Name of service provider or shipping company

**Table 8 - Vendor Profile**

<b>DATA ELEMENT</b>	<b>WIDT H</b>	<b>TYPE</b>	<b>DESCRIPTION</b>
Vendor ID	10	N	Uniquely identifies a legal entity using a single quotation system (e.g.engine 1430), assigned by the CP 1440.
Account ID	16	N	Account # assigned to Vendor1420 by issuing processor 1445.
Vendor Name	32	A/N	
Vendor Address 1	32	A/N	Headquarters Address

DATA ELEMENT	WIDTH	TYPE	DESCRIPTION
Vendor City	28	A/N	
VDR. State/Province	3	A/N	
VDR. Country	3	A/N	
VDR.Contact	32	A/N	
VDR. Phone	10	N	
Open Date	8	N	Supplied by CP 1440 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 1440 when first quote record is received by CP 1440 - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 1440 every time a quote record is processed
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by system when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status, valid values are OPEN, CLSD, HOLD
Effective Date	8	N	Default to today's date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 1440
Last update time	4	N	Automatically stamped by CP 1440. HHMM format
Last Update User	8	A/N	Automatically pulled from user profile by CP 1440.

**Table 9 – Vendor/Subvendor Profile**

COLUMN NAME	DATA WIDTH	DATA TYPE	DESCRIPTION
Vendor ID	10	N	
Subvendor ID	4	A/N	

COLUMN NAME	DATA WIDT H	DATA TYPE	DESCRIPTION
Merchant Number	10	N	Assigned by Paying processor 1454. If blank, use default value from subvendor profile.
Proof of Delivery (POD)	1	A	“Y” for POD to be required, “N” for POD not required
Type of POD	4	A	Identifies in what manner the POD is to be received.
Auto close days	2	N	Number of days after which the transaction will close and be paid to the Subvendor 1422 regardless of whether or not POD has been posted.
Open Date	8	N	Automatically supplied by CP 1440 when record is built. YYYYMMDD format
Date of First Activity	8	N	Automatically supplied by CP 1440 when first quote record is received by system - YYYYMMDD format
Date of Last Activity	8	N	Automatically updated by CP 1440 every time a quote record is processed
Current Status	4	A	Valid values are OPEN, CLSD, HOLD. Automatically updated on effective date if effective date was pre-entered or as part of on-line transaction when effective date is set to today.
Current Status Date	8	N	Automatically updated by CP 1440 when current status field is updated, YYYYMMDD format
Pending Status	4	A	User will key status
Effective Date	8	N	Default to today’s date with user ability to override to a future date. YYYYMMDD format
Last update date	8	N	Automatically stamped by CP 1440
Last update time	4	N	Automatically stamped by CP 1440 HHMM format
Last Update User	8	A/N	Automatically pulled from user profile lists

In another embodiment it is envisioned that the different users of the system may be located remotely from the transaction validation system and are

accessing the system and its database through system processors or computer-like mechanism. For instance, the vendor, subvendor or service provider may be in a foreign country but accessing the transaction system and the central processor arrangement in the U.S. via a computer or a network that connects that user with the transaction system

5 that may be in the U.S. The transaction system and its users need not be co-located. Specifically in Figures 12 and 13, vendor processor 1224 or service provider processors may be tapped into remotely, but to the system these users may appear to be local and using their processors locally to access and use the system.

Accordingly, the present invention provides, among other aspects, a computer

10 processing system for a shipment transaction involving a shipper and a carrier. Further, the present invention provides a computer processing system and method for auditing a transaction between a vendor and a service provider in the area of services. Finally, the present invention provides a computer processing system and method for auditing a transaction between a vendor, subvendor and a service provider. Other aspects and

15 embodiments of the present invention will be apparent to those skilled in the art for consideration of the specification and practice of the invention disclosed herein. It is intended that the specification and illustrated embodiments be considered as exemplary only, with a true scope and spirit of the invention being indicated by the following claims.





1. For transaction processing involving transaction information related to services provided by one of a plurality of vendors and processed by one of a plurality of service providers, a transaction validation system for auditing comprising: a central processor arrangement programmed and configured to maintain data relating to an authorized profile list criterion that includes information about authorized users empowered to authorize payment by the vendor, and programmed and configured to process the transaction information by determining whether the transaction information satisfies the authorized profile list criterion, and using the authorized profile list criterion to generate information for auditing a transaction between said one of a plurality of vendors and said one of a plurality of service providers

1        2.        A transaction validation system for auditing according to claim 1, wherein said  
2        system further includes a means for generating a quotation coupled to said central  
3        processor arrangement.

3. For transaction processing involving transaction information related to services provided by a vendor, said transaction information initially being generated by one of a plurality of service providers prior to processing by said vendor, a transaction validation system for auditing comprising: a central processor arrangement programmed and configured to maintain data relating to an authorized profile list criterion that includes information about authorized users empowered to authorize payment by the vendor to the service provider, and programmed and configured to process the transaction information by determining whether the transaction information satisfies the authorized profile list criterion, and using the authorized profile list criterion to generate information for auditing a transaction between said vendor and said one of a plurality of service providers.

1 4. A transaction validation system for auditing according to claim 3, wherein said  
2 system further includes a means for generating a quotation coupled to said central  
3 processor arrangement.

1 5. A transaction processing involving transaction information related to services  
2 provided by a vendor and a plurality of subvendors and processed by one of a plurality  
3 of subvendor controlled service providers, a transaction validation system for auditing  
4 comprising: a central processor arrangement programmed and configured to maintain  
5 data relating to an authorized profile list criterion that includes information about  
6 authorized users empowered to authorize payment by the vendor and subvendors, and  
7 programmed and configured to process the transaction information by determining  
8 whether the transaction information satisfies the authorized profile list criterion, and  
9 using the authorized profile list criterion to generate information for auditing a  
10 transaction between said vendor and both of said plurality of subvendors and said  
11 plurality of subvendor controlled service providers.

1 6. A transaction validation system according to claim 5, wherein said system further  
2 includes a means for processing transactions for each of said vendor and said  
3 subvendor, said processing transaction means coupled to said central processor  
4 arrangement.

1 7. A transaction validation system according to claim 2, wherein said system  
2 further includes a means for processing transactions for each of said vendor and said  
3 service provider, said processing transaction means coupled to said central processor  
4 arrangement.

1 8. A transaction validation system according to claim 8, wherein said processing  
2 transaction means is accessible remotely.

- 1 9. A transaction processing system involving transaction information related to  
2 services provided from one of a plurality of vendors and processed by one of a plurality  
3 of service providers, a method for validating a service transaction for auditing  
4 comprising:  
5 generating transaction information prior to processing by vendor;  
6 providing an authorized profile list criterion that includes information about  
7 authorized users empowered to authorize payment by the vendor;  
8 using a computer arrangement, maintaining data relating to the authorized  
9 profile list criterion and processing the transaction information by determining whether  
10 the transaction information satisfies the authorized profile list criterion, and by using the  
11 authorized profile list criterion to generate information for auditing a transaction  
12 between said one of a plurality of vendors and said one of a plurality of service  
13 providers.
- 1 10. A method for validating a service transaction, according to claim 9, further  
2 including sending service-related information from an external device and generating a  
3 set of transaction information therefrom.
- 1 11. A method for validating a service transaction, according to claim 10, further  
2 including informing the computer arrangement of provision of the service by the service  
3 providers, and using the computer arrangement to audit the service transaction and  
4 payment thereof in response to the transaction information and the authorized profile list  
5 criterion.
- 1 12. The method according to claim 9, further including communicating service  
2 related information to said computer arrangement from remote location.
- 1 13. For transaction processing involving transaction information related to services  
2 provided from a vendor and one of a plurality of subvendors and processed by one of a

3 plurality of subvendor controlled service providers, a method for validating a service  
4 transaction for auditing comprising:  
5       generating transaction information prior to processing by subvendor;  
6       providing an authorized profile list criterion that includes information about  
7 authorized users empowered to authorize payment by the vendor; and  
8       using a computer arrangement, maintaining data relating to the authorized  
9 profile list criterion and processing the transaction information by determining whether  
10 the transaction information satisfies the authorized profile list criterion, and by using the  
11 authorized profile list criterion to generate information for auditing a transaction  
12 between said one of a plurality of vendors and said one of a plurality of service  
13 providers.

1 14. A system for billing a vendor and subvendor, and paying a service provider and  
2 a subvendor for a completed service-related transaction, comprising:  
3 means for receiving a set of transaction information including the cost of service  
4 from a central processor arrangement; and  
5 means for processing a credit account for the vendor, for verifying that the  
6 vendor has sufficient credit to fund the cost of service, for indicating when the account  
7 for the vendor should be debited, and for indicating when payment to the service  
8 provider and subvendor should be tendered, and for notifying a financial institution the  
9 cost of service.

1 15. A method for billing a vendor and subvendor, and paying a service provider and  
2 a subvendor for a completed service-related transaction, comprising:  
3 receiving a set of transaction information including the cost of service from a  
4 central processor arrangement; and  
5 using a computer arrangement for processing a credit account for the vendor, for  
6 verifying that the vendor has sufficient credit to fund the cost of service, for indicating  
7 when the account for the vendor should be debited, for indicating when payment to the

- 8 service provider and subvendor should be tendered, and for notifying a financial
- 9 institution of the cost of the service.

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### **Abstract**

A computer processing system for auditing transaction information between vendors and service providers servicing a third party's needs. The system also  
5 includes those transactions involving shippers and carriers. The system is particularly suited to efficiently and automatically audit and effect payment of a transaction and to efficiently provide access to relevant transaction and subscription information. According to one example embodiment, the system includes a processor arrangement that helps vendors validate transactions between service providers and third party  
10 customers. In some cases the system is able to monitor transactions initiated by the service provider, for the benefit of the customer, committing the vendor to certain actions not readily known by vendor. However, this is acceptable if the service provider uses a service quotation generating system, provided by the vendor, that has pre-determined parameters that vendor is willing to be committed to in order to immediately  
15 secure the new subscriber.

FIGURE 1

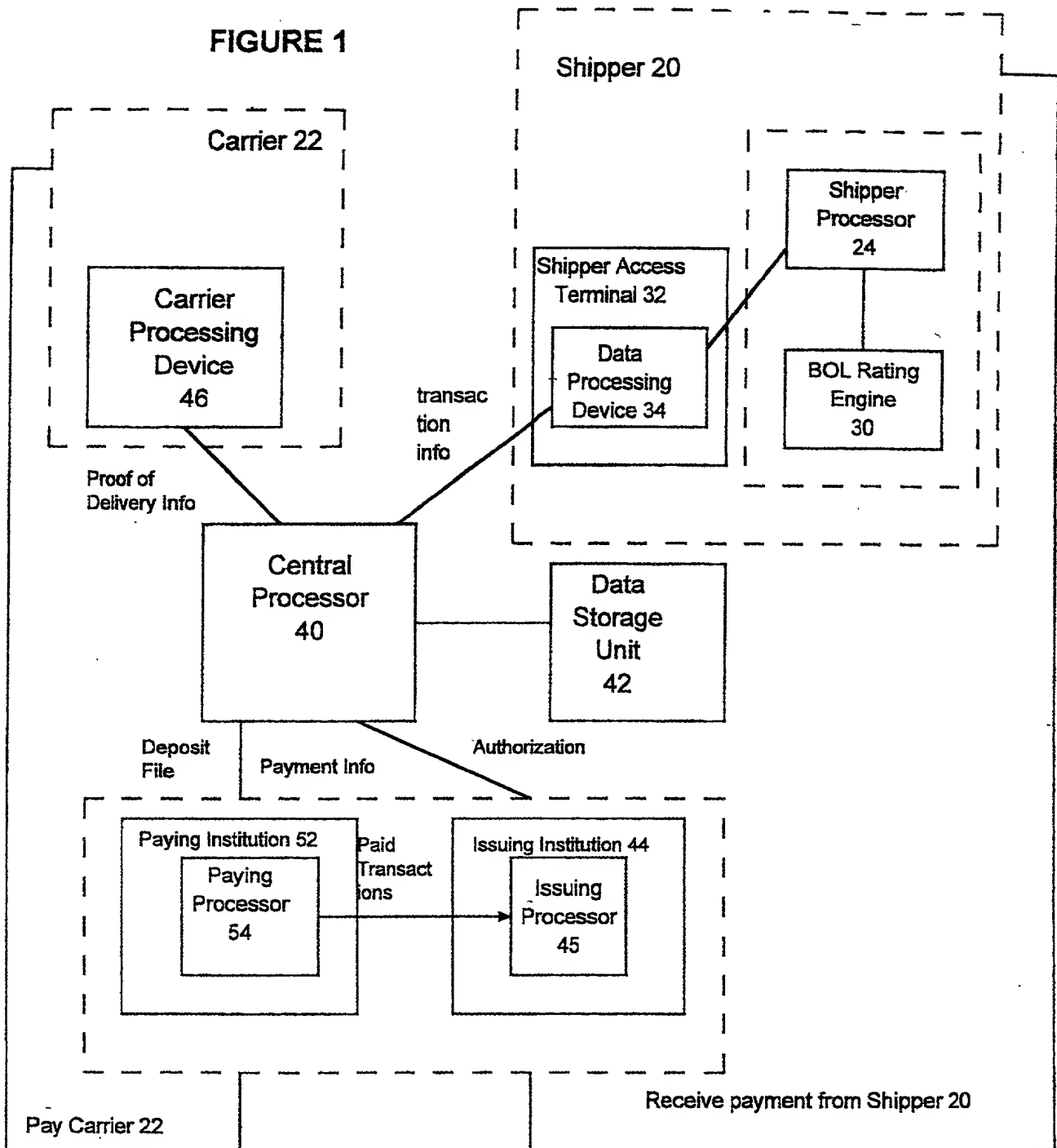


FIGURE 2

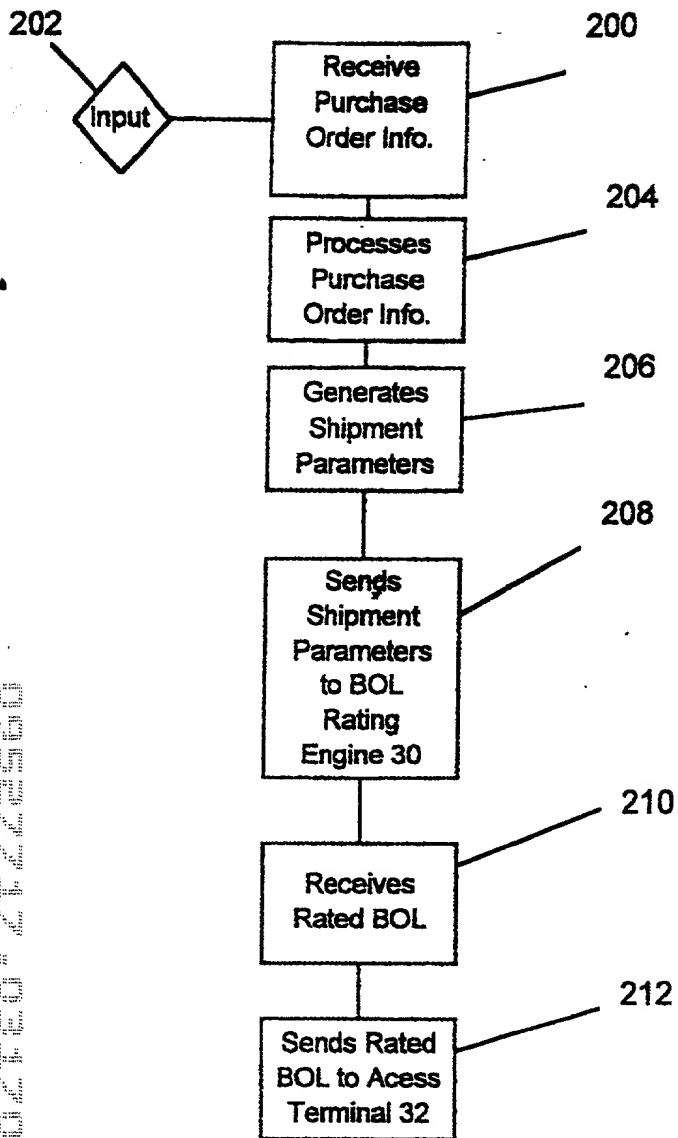


FIGURE 2a

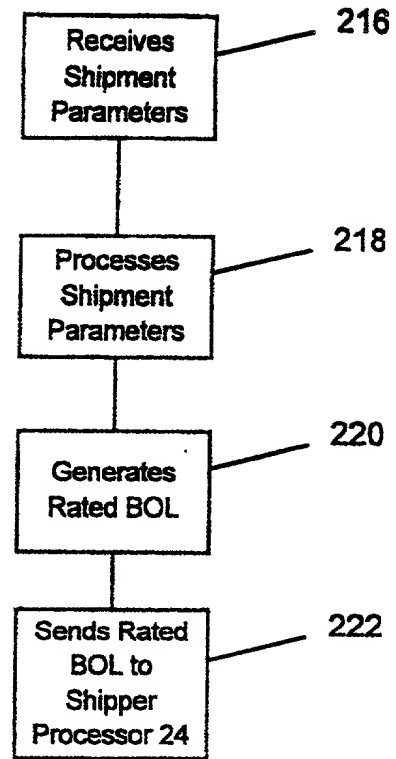




FIGURE 3

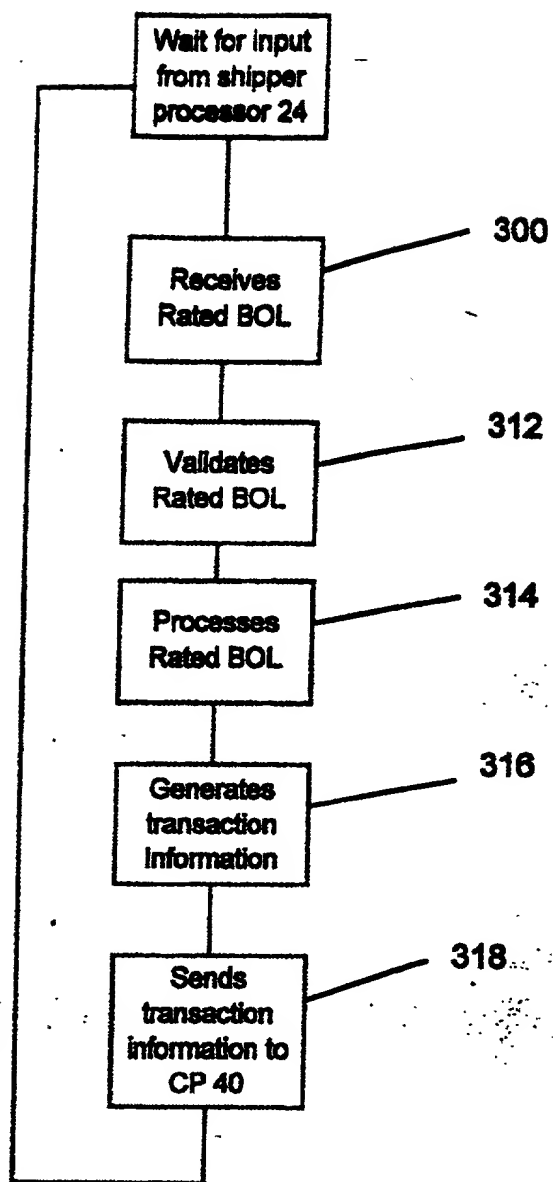
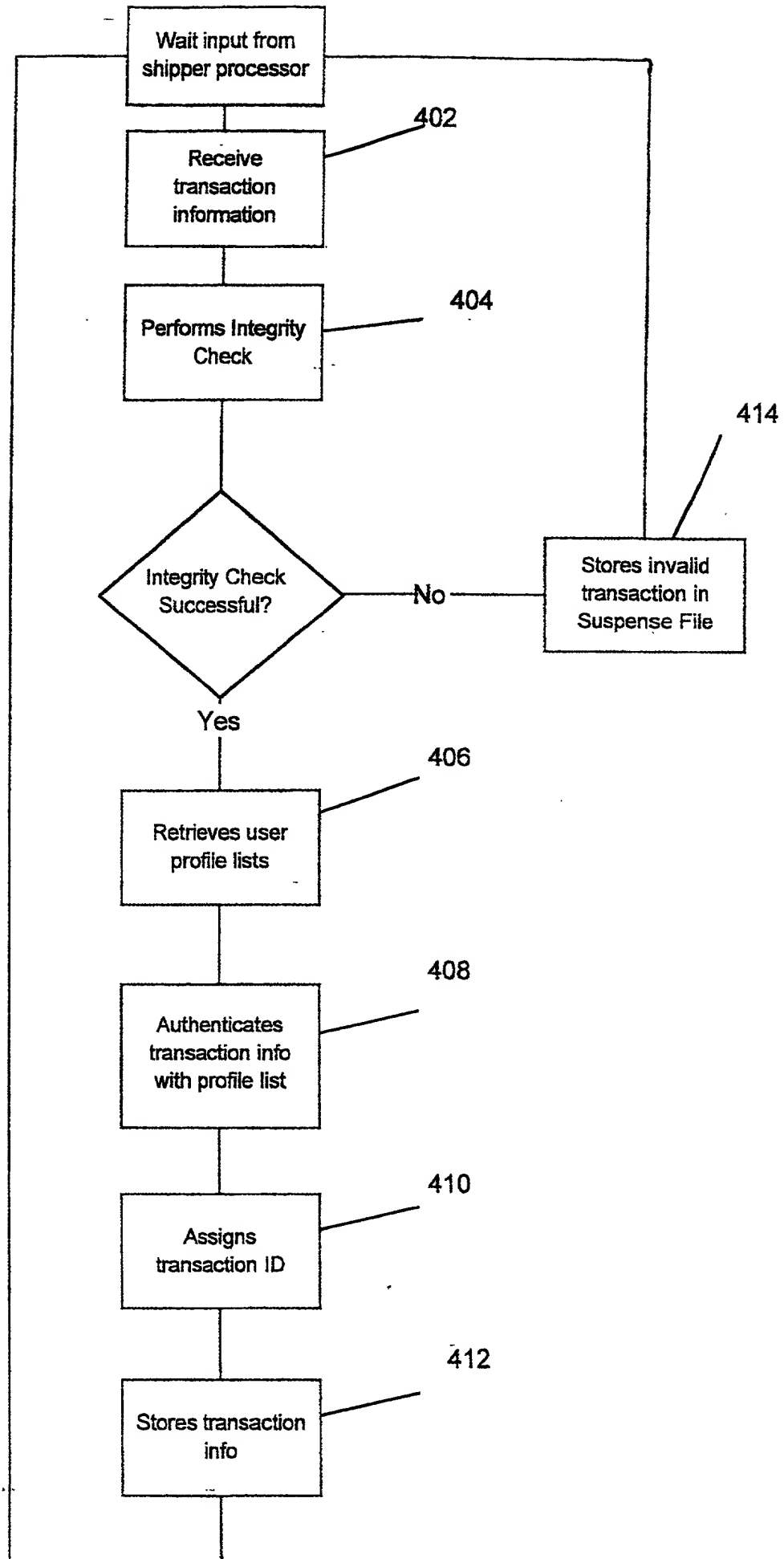


FIGURE 4



### FIGURE 5

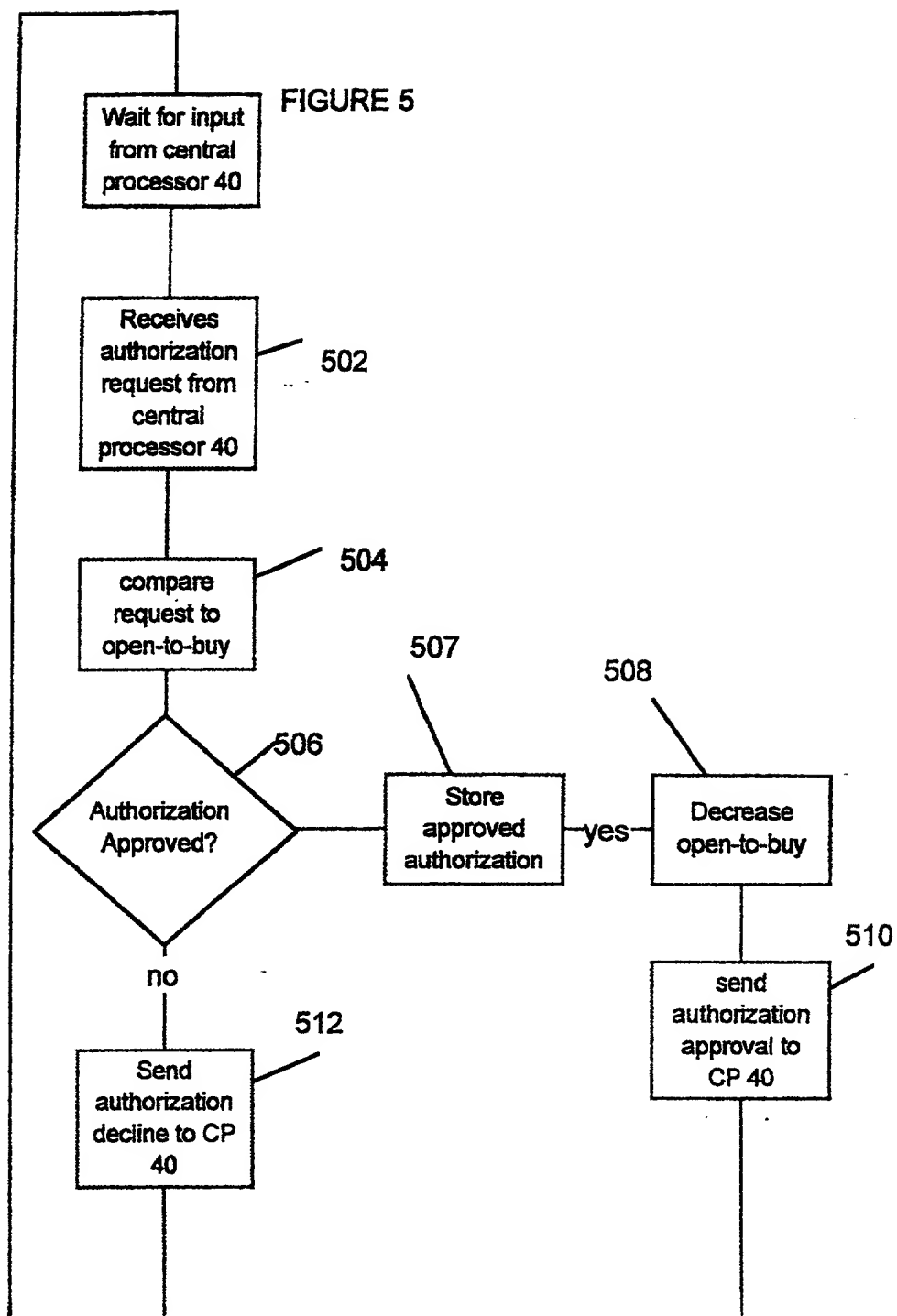
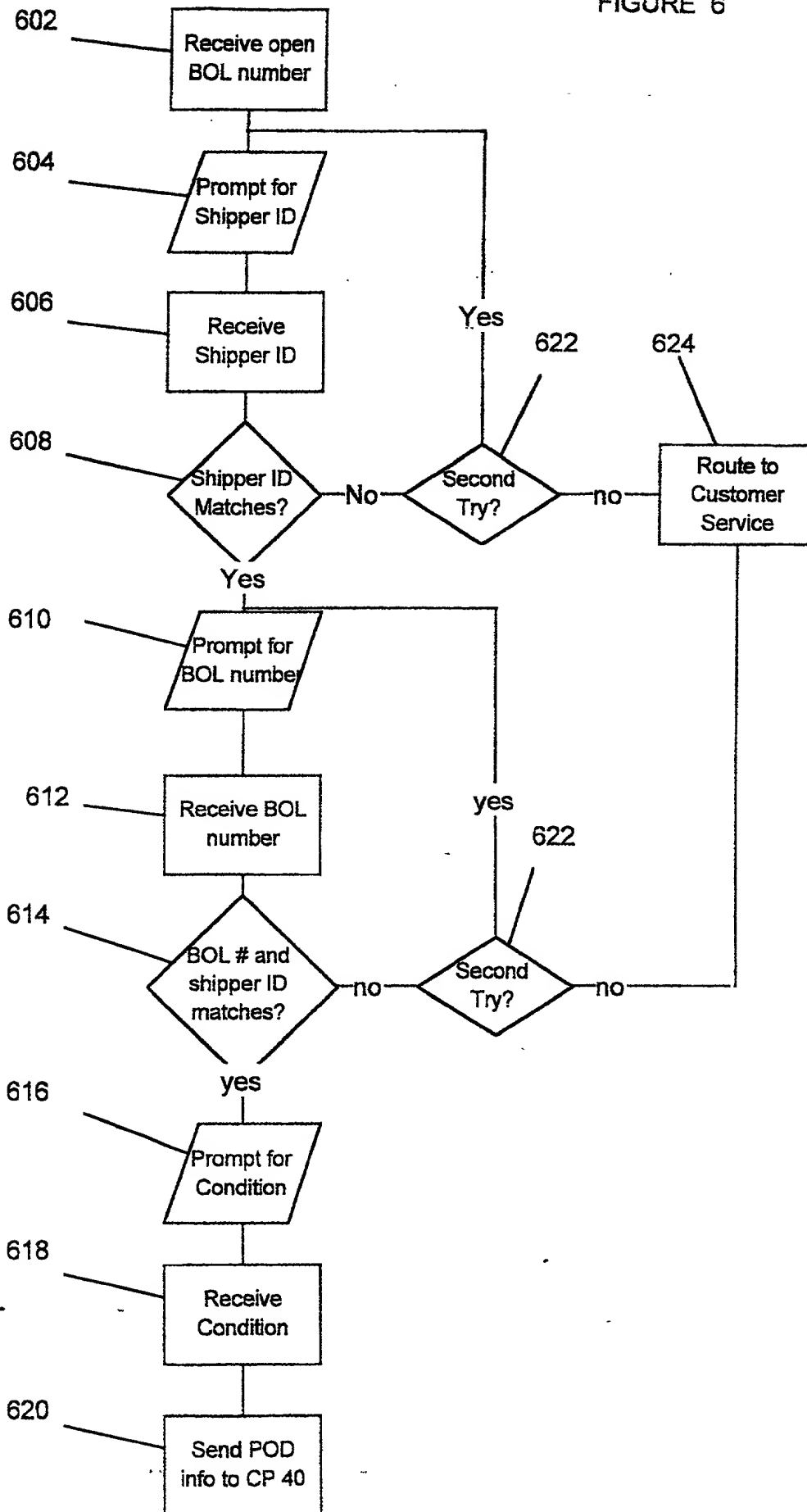


FIGURE 6



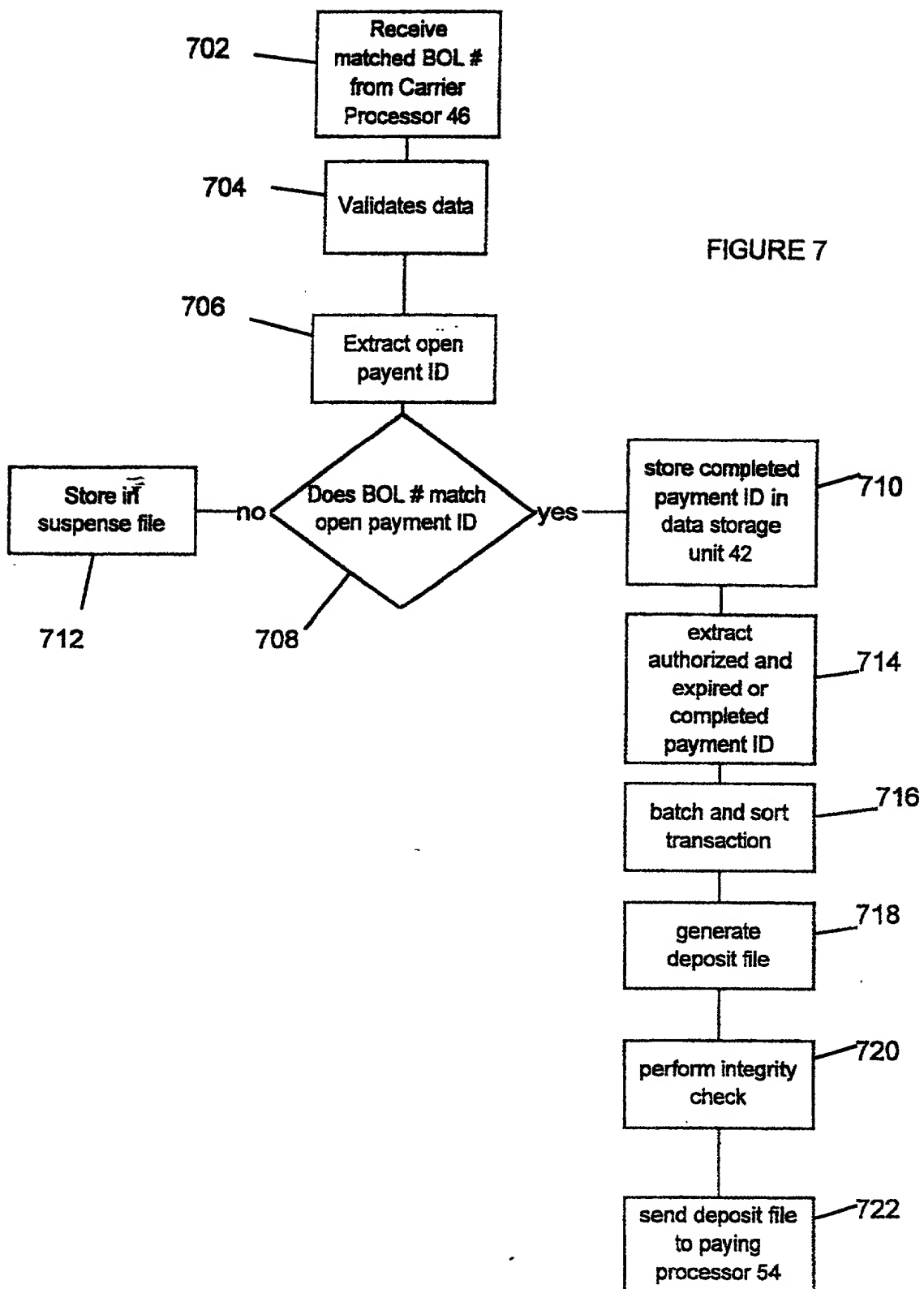


FIGURE 8

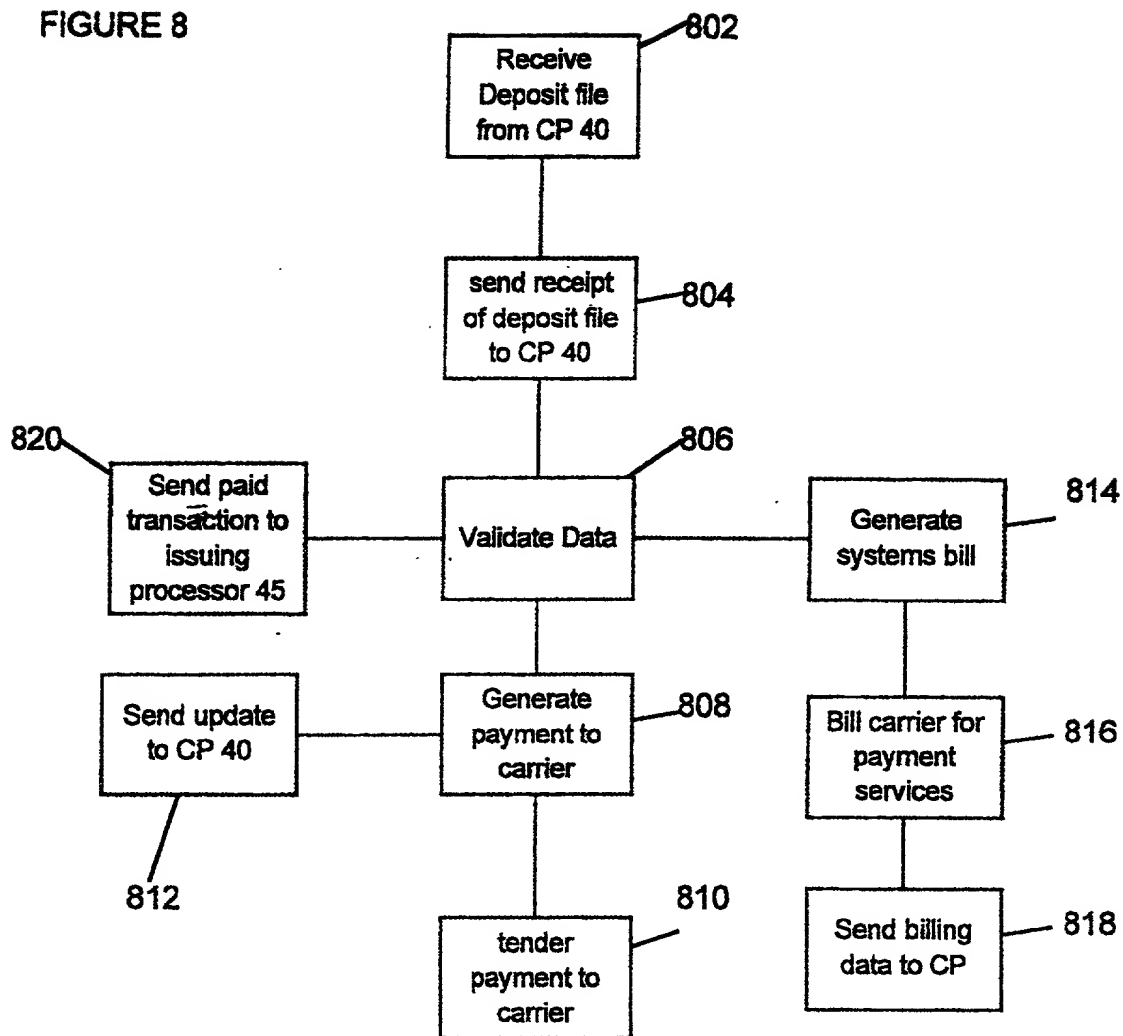
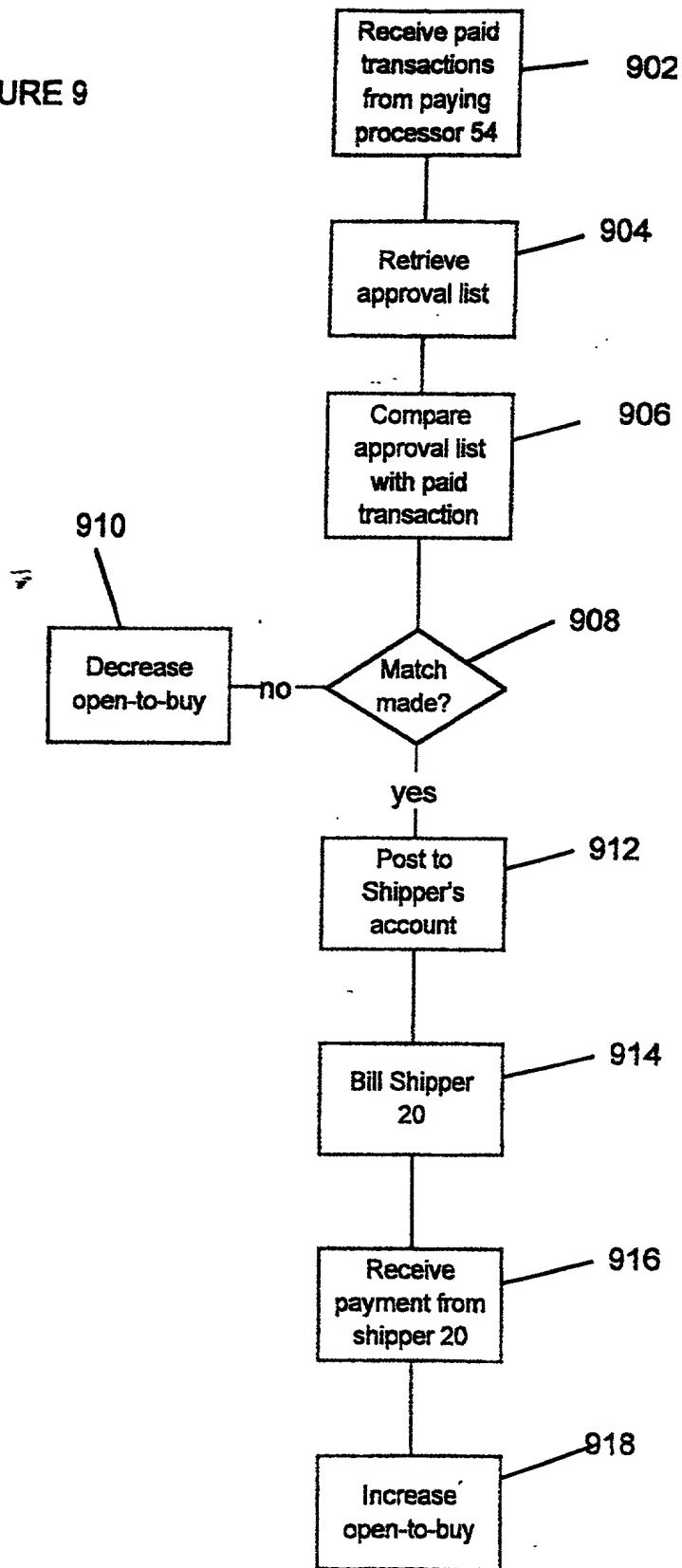
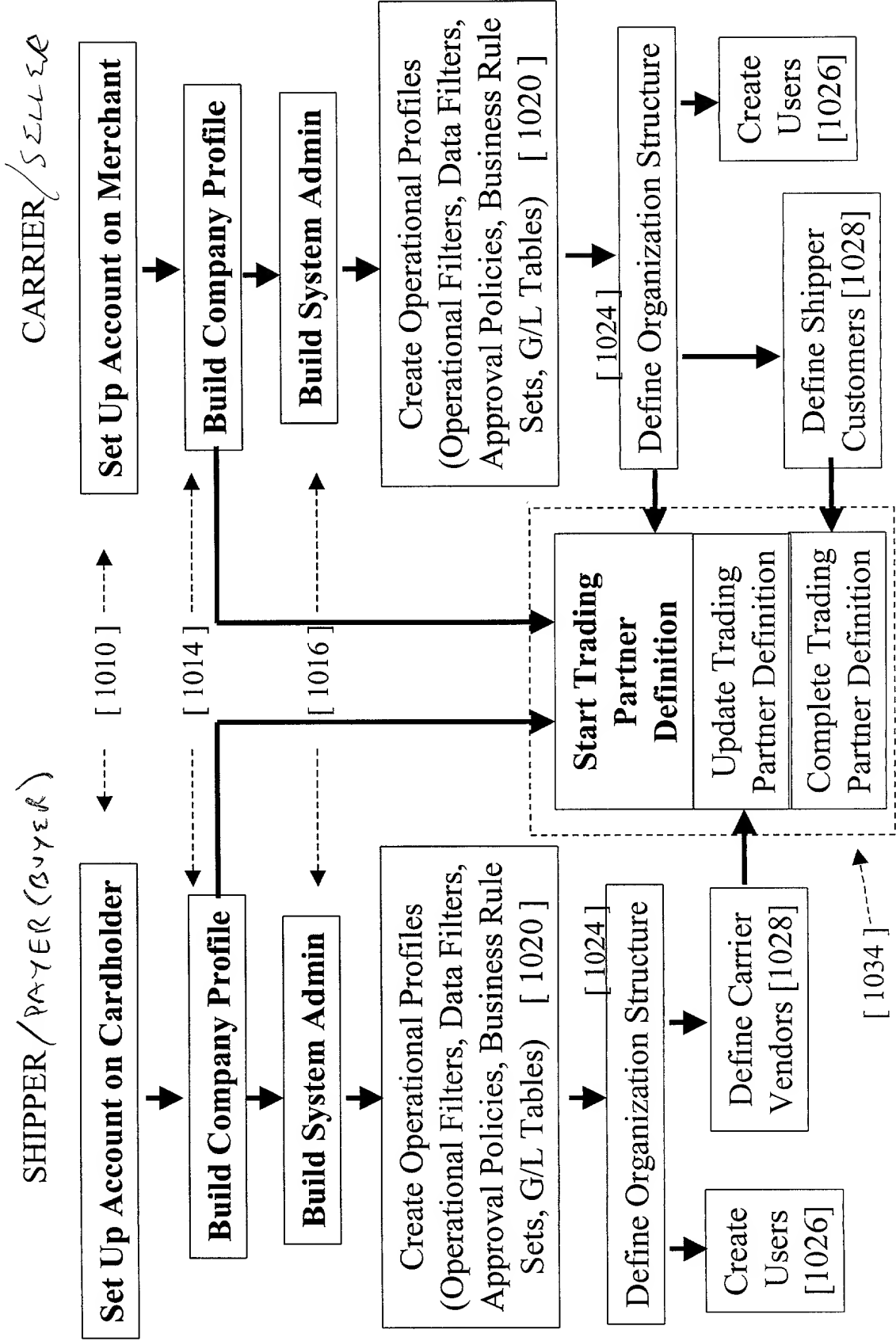


FIGURE 9

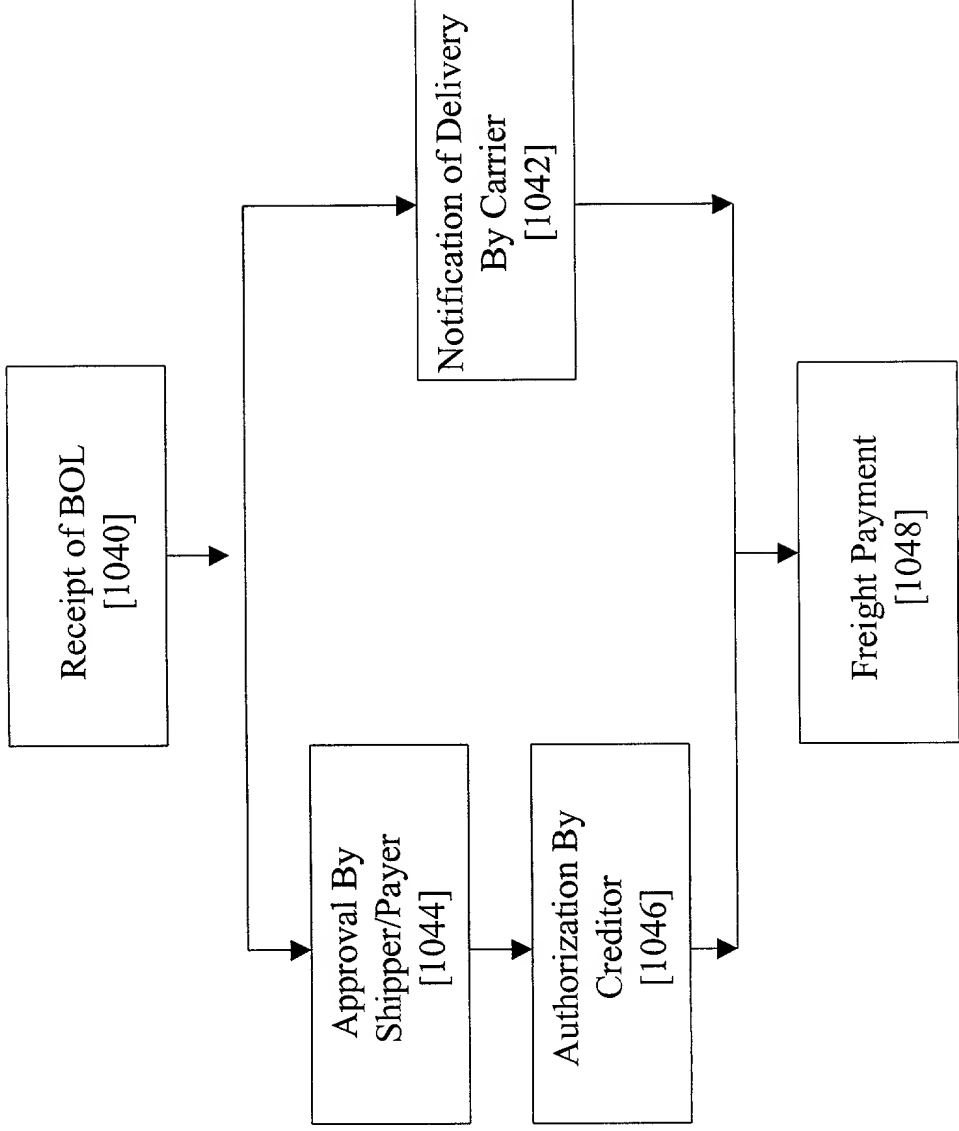


# SetUp Process (Figure 10A)

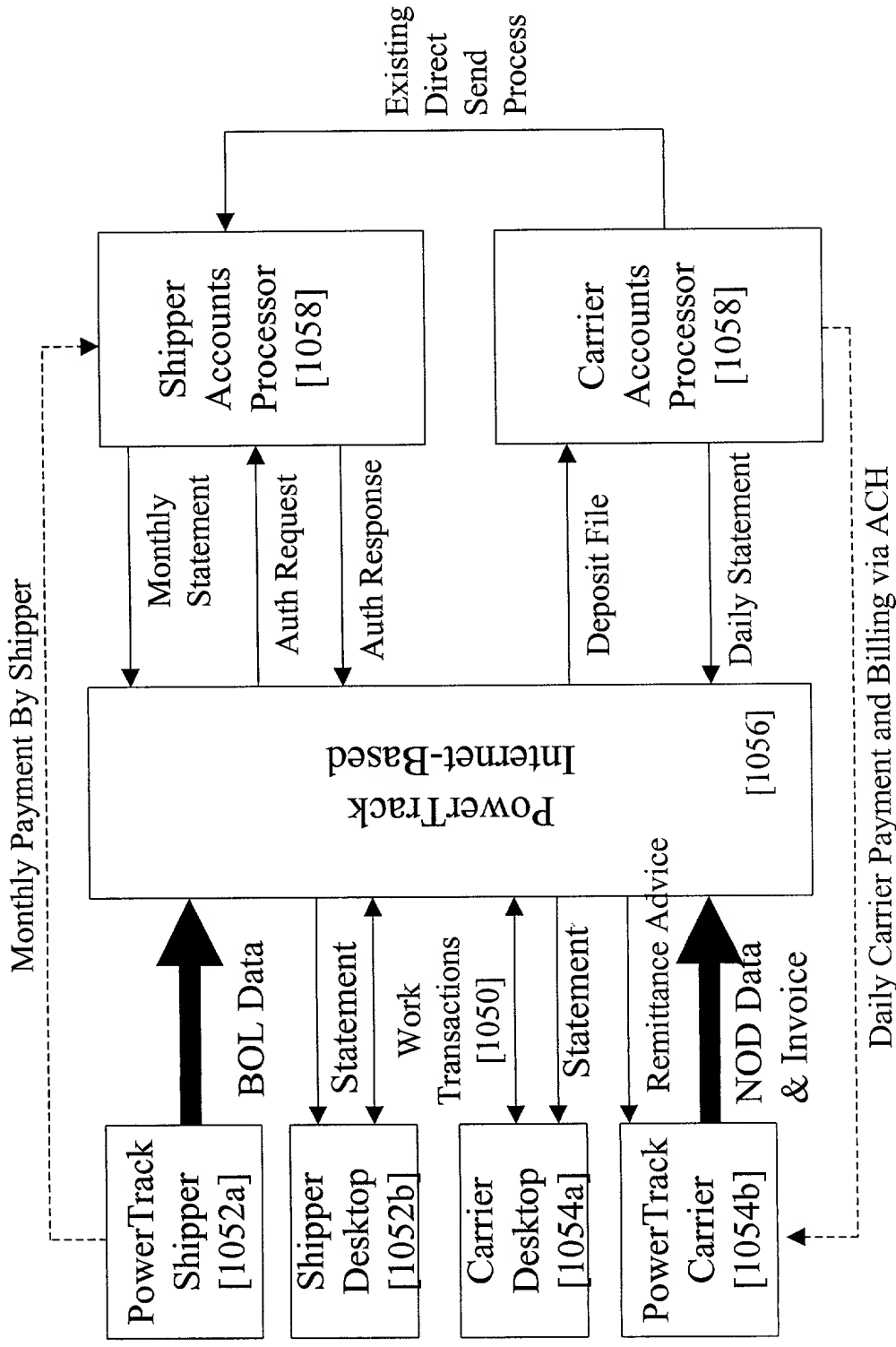




# Transaction Processing Flow (Figure 10B)



# Transaction Flow Overview (Figure 10C)



NOTE: PowerTrack only passes to Carrier Account Processor the minimal data to process the financial transaction. All the BOL detail stays within PowerTrack.

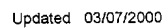
[illegible]

FIGURE 12

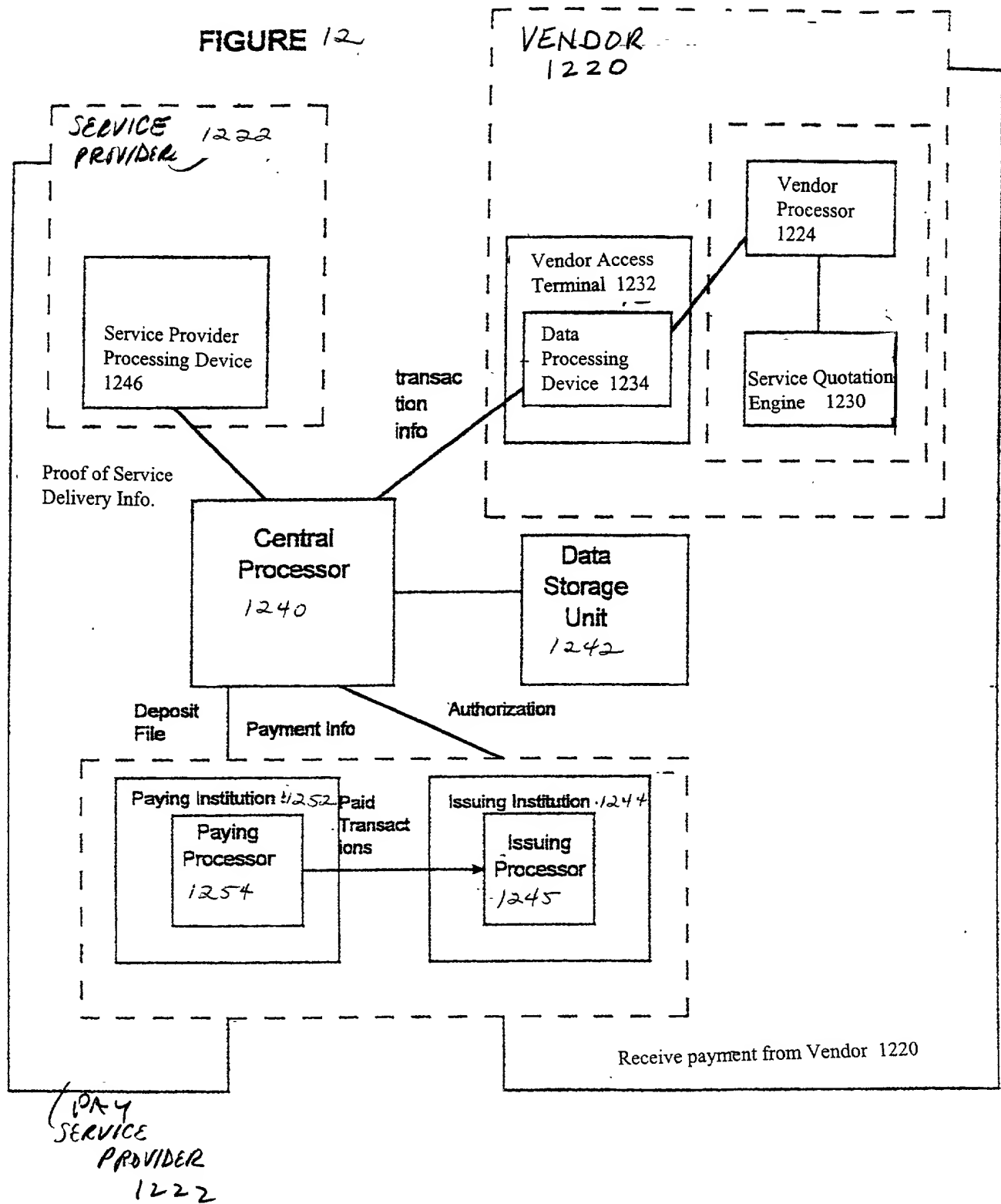


FIGURE 13

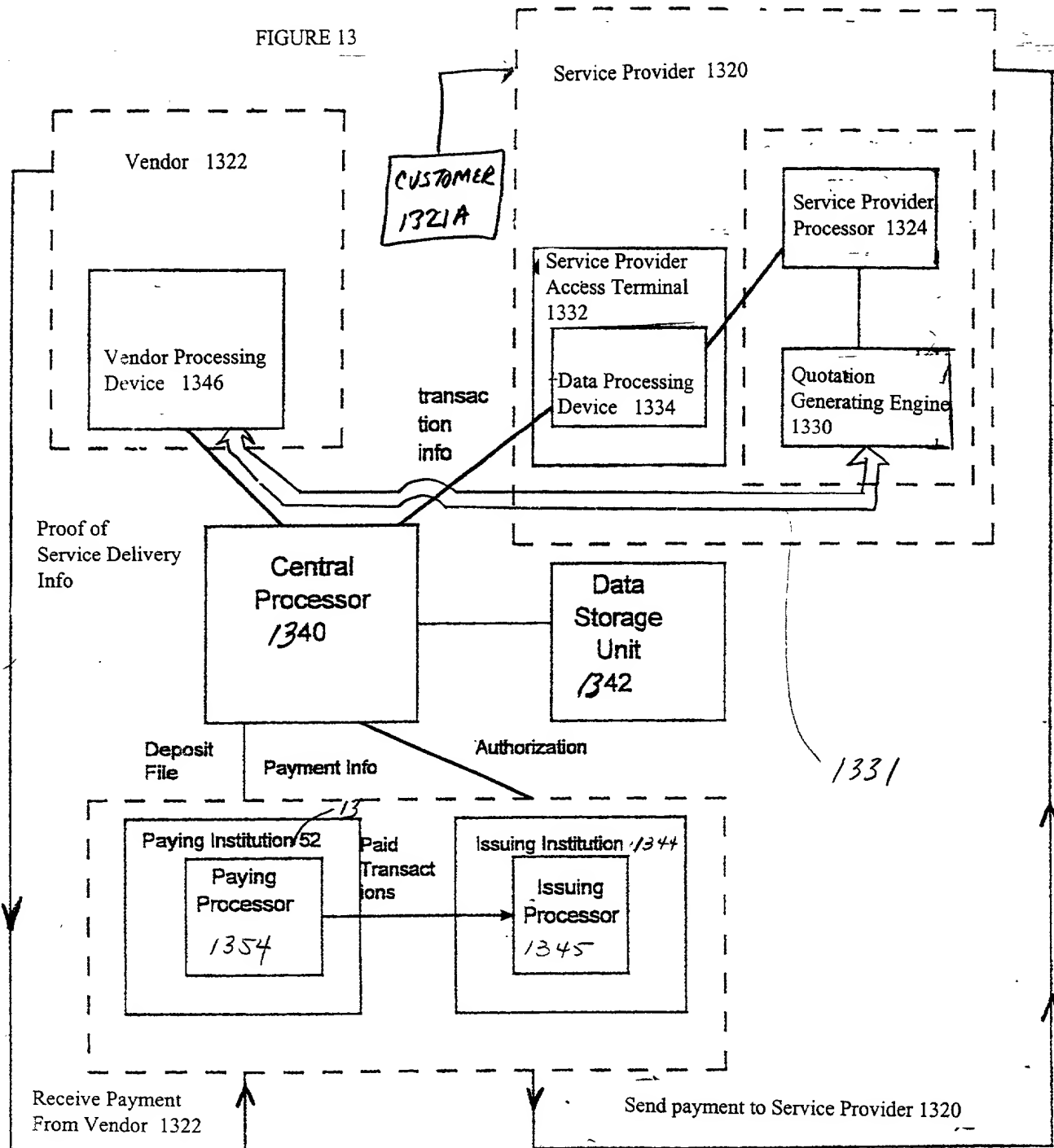


FIGURE 14

